

MERCURI
international

RESULTS FROM AN INTERNATIONAL SURVEY
CONDUCTED BY MERCURI INTERNATIONAL

HYBRID SELLING



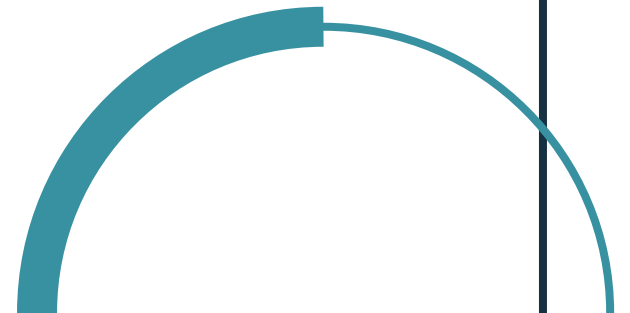
AGENDA

HYBRID SELLING

- 1 Introductory Thoughts and Summary
- 2 Results and Findings (international)
- 3 Selected Results and Findings
(Highlights Germany)
- 4 Companies that took part in the survey



INTRODUCTORY THOUGHTS AND SUMMARY

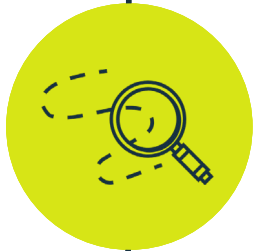


INTRODUCTORY THOUGHTS AND BACKGROUND

Since March 2020, nothing in sales has been the same. Sales has undergone major changes and evolved rapidly. Before the pandemic, online visits were almost unthinkable, but now they have become the norm for salespeople and customers in many areas.

This study takes a comparative look at the experiences of companies from selected European countries in order to identify and evaluate the changes in detail, comparing the years 2019 and 2020. Innovative, hybrid sales models (combination of on-site and online visits) have been evaluated by experienced executives, identifying possibilities for the sales organizations of the future.

We hope this report inspires you to think in new ways and that you'll discover methods to apply these findings in your own sales activities.



MANAGEMENT SUMMARY

OBJECTIVE

The aim is to use the results of this study to support sales in their **reorientation** and to identify and evaluate the **effect and possible applications of hybrid sales approaches** as a **combination of on-site and online visits**.

STUDY

The **quantitative questionnaire study, which was** conducted in **2021** by **Mercuri International, is** aimed at managers in medium-sized and large companies. With the help of a **cross-sectional design, the survey** aims to capture the broadest possible range of perspectives and to issues specific to individual industries. The results are based on **165 companies from Benelux, Finland, France, Italy, Sweden, UK. In addition, we integrated some specific findings from a separate German Hybrid Selling Study**, delivered in May 2021 with 788 companies (MIGER & Ruhr-Universität Bochum, which was used as a platform for the international survey).

IMPORTANT RESULTS

Developments/learnings of the companies:

- Over **77%** of companies were affected by the **COVID shutdown** in 2020. Nevertheless, **most** of the companies were able to achieve their **sales targets**.
- Customers were **significantly** more likely to be reached virtually via online visits (e. g. MS Teams, Zoom, Skype) during the shutdown.
- In addition, the **duration** of online compared to on-site visits was shorter.
- **More online visits** were conducted after the COVID shutdown, especially in existing customer care.
- A **hybrid model** enables significant **productivity gains** - however, changing sales tasks also lead to new **demands on sales managers and salespeople**.

Future sales setup and hybrid selling:

The results of the study imply that on-site visits will be reduced in the future and online customer visits will be increasingly used. The capacities freed up by the time savings can be used, for example, for more intensive market cultivation. In addition, the office staff can be actively involved in customer care through online visits and even smaller customers could be actively and personally better and more frequently cared for in the future.

MANAGEMENT SUMMARY

GUARD RAILS FOR THE SALES SETUP OF THE FUTURE

The results of the study indicate that on-site visits will decline in the future, with online customer visits becoming increasingly common. The extra time freed up might more productively be used for areas such as intensive market cultivation. In addition, office staff can become actively involved in support through online visits, in order to better support small customers more frequently, actively, and personally. As a result, sales - always an expensive resource, can be used much more productively.

Company management has long questioned the purpose of the numerous on-site visits to customers, but now there are concrete, feasible solutions.

- **The future of sales is hybrid**, given that the potential capacity of online sales visits is 4 times greater - it's therefore unlikely that we'll return to a traditional sales model.
- **On-site visits** will still continue to be necessary, particularly when it comes to strengthening customer relationships and acquiring new customers.
- **The number of total visits** will be decisive in the future. Every online visit saves time, creating more time for on-site visits. This increases the support capacity in the field sales force, which in turn can be used for more intensive market cultivation.
- **Online visits will also help internal sales** to deal with customers more effectively and achieve better results. Smaller customers, who have previously been comparatively neglected, can therefore receive more active attention.
- **The use of social media** will become even more important in the future, especially for the acquisition of new customers.
- **The competencies of sales staff, office staff, and managers** are changing significantly and must be developed and increased consistently and sustainably.
- **The use of online customer visits**, in addition to increasing sales capacity, helps reduce the carbon footprint of sales.

MANAGEMENT SUMMARY

WHAT'S NEXT FOR YOU?

If you want to realign your sales and seize the opportunities of hybrid selling, you should seriously consider the following recommendations:

Analyze which customer groups and contacts are also willing to engage in online visits and where on-site contacts can be reduced. Differentiate between new and existing contacts and the individual phases of the sales process. Define the smaller customers that can be serviced by selected office staff.

Design of the Sales Setup: Develop future sales processes based on the buying journey of each customer, considering the Hybrid Selling approach and the new inside sales options. In many cases it will turn out that it's not just the "field sales force" that is decisive for the customer's buying decision, but also other players and sales channels. The orchestration of other channels or touchpoints upon which the customer draws in their buying journey will increasingly become key to leading the customer to purchase. All this requires you to modernize your own organization. With market development teams, you should move away from departmental silos and towards synchronized market development. Synchronization will be the new selling!

Implementation: The key to success with these changes are the managers; they have always been the decisive impulse generators for their employees. In addition to their usual challenges, these managers will also face new ones, such as increasingly leading "remotely". Hybrid Selling requires them to lead by example and with detailed knowledge if online offers are to be effectively employed by their teams. Define time slots for managers to invest in leading their employees. Support employees who will be selling in a hybrid fashion in the future with targeted training. The companies surveyed in the study see a great need in this particular area.

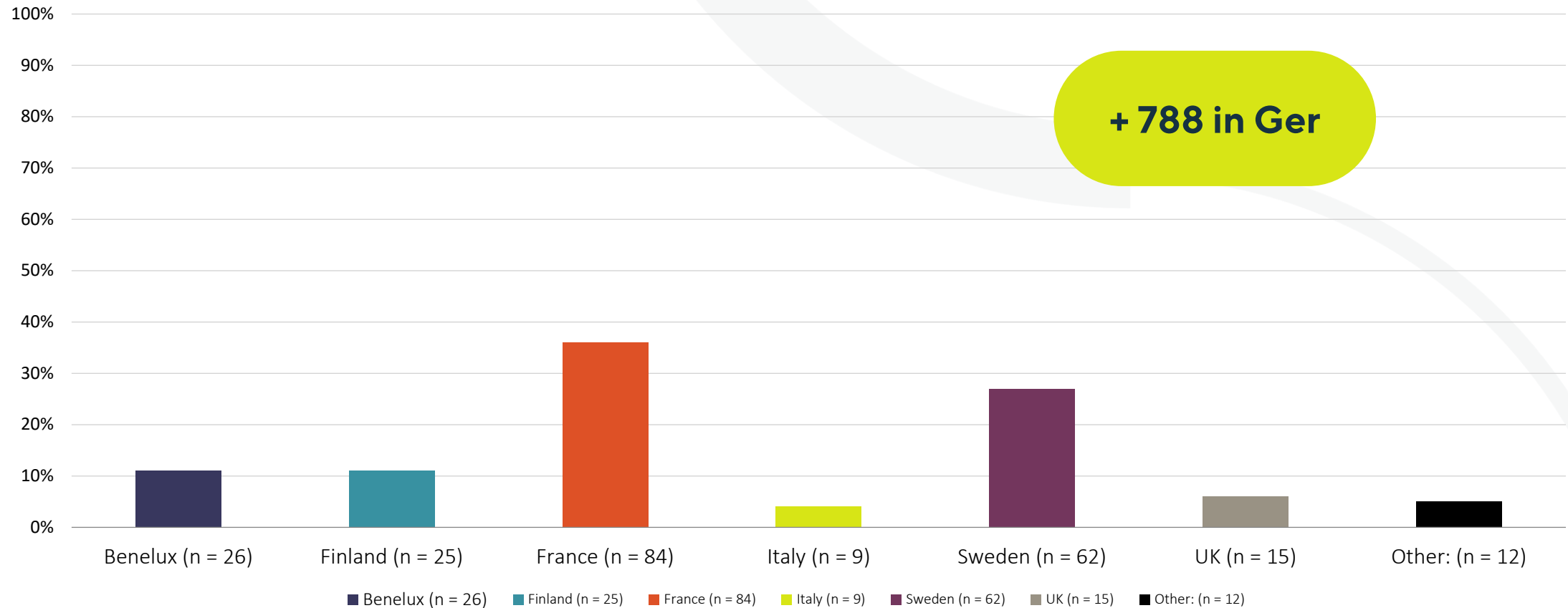
NINE THESES ON THE B2B-SALES SETUP OF THE FUTURE

- 1 The future of B2B sales is hybrid.
- 2 On-site visits will be necessary in the future, especially to consolidate customer relationships when acquiring new customers.
- 3 In the future, the number of contacts with the customer will be more decisive than the number of on-site visits.
- 4 The use of social networks (including LinkedIn, Xing) will play an even greater role in the future of client interaction, especially in the acquisition of new customers.
- 5 Salesperson competencies must be adapted to new requirements through online visits and must be further developed and trained in a targeted manner.
- 6 Online customer visits increase the support capacity of the field sales force, which can be used to intensify market cultivation.
- 7 Online visits will also help internal sales to support more effective handling of customers, taking it to a new level.
- 8 The use of online customer visits, in addition to increasing sales capacity, helps reduce the carbon footprint of sales.
- 9 The changes in the sales task imply far-reaching consequences and new requirements for sales management.

RESULTS AND FINDINGS (INTERNATIONAL)

PERSONAL AND COMPANY INFORMATION

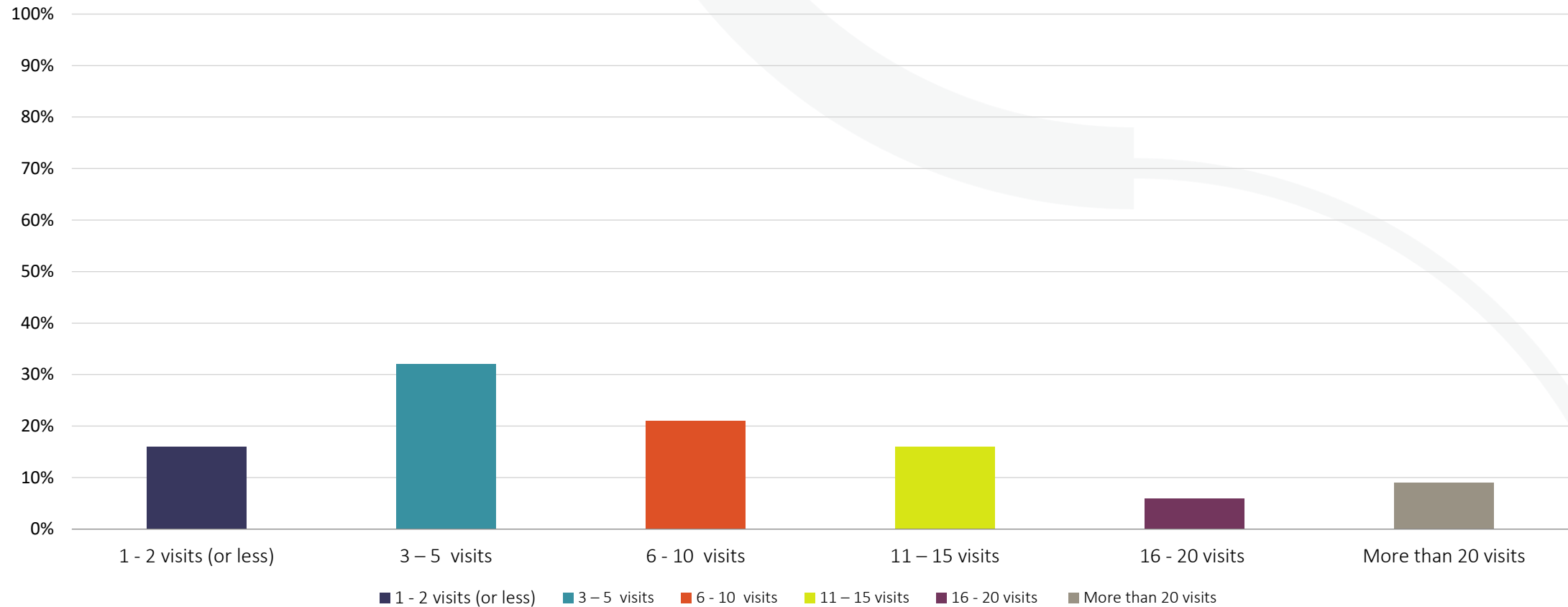
Please select your country:



REVIEW OF 2019 SALES AHEAD OF THE CORONA PANDEMIC

(Jan-Dec 2019)

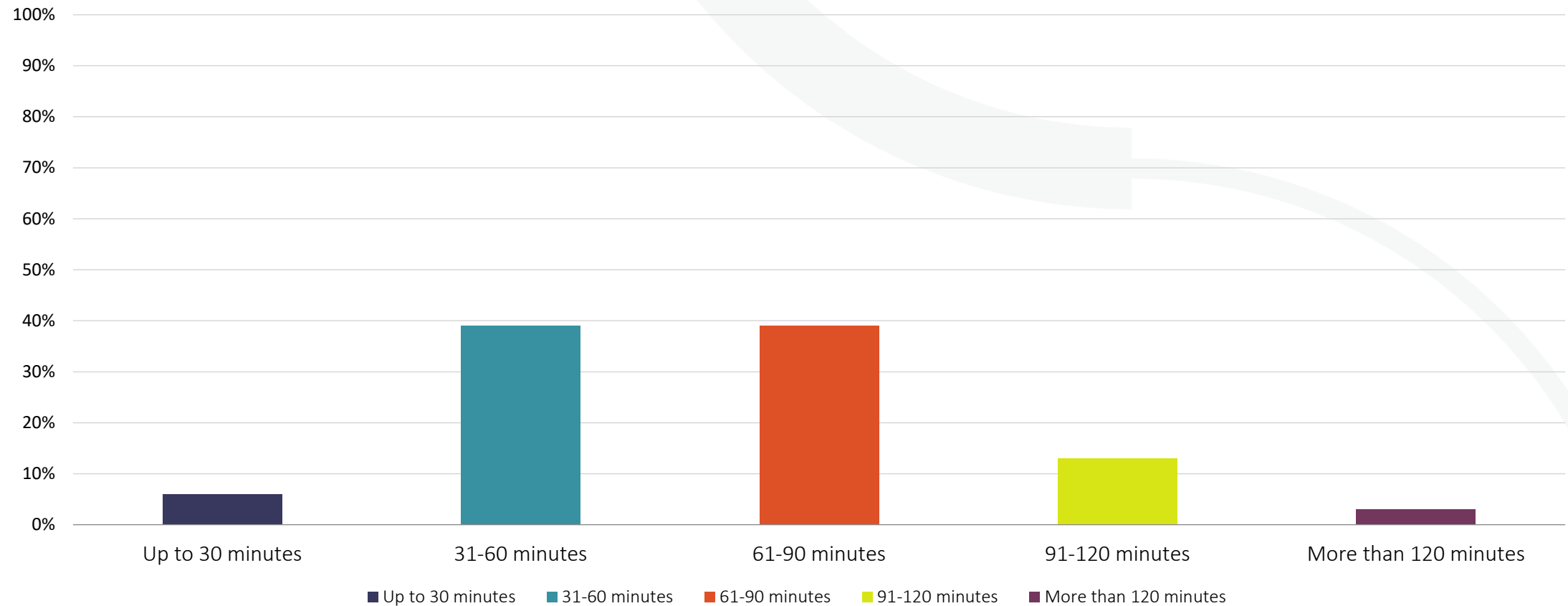
How many on-site customer visits did your salespeople make per week in 2019?



REVIEW OF 2019 SALES AHEAD OF THE CORONA PANDEMIC

(Jan-Dec 2019)

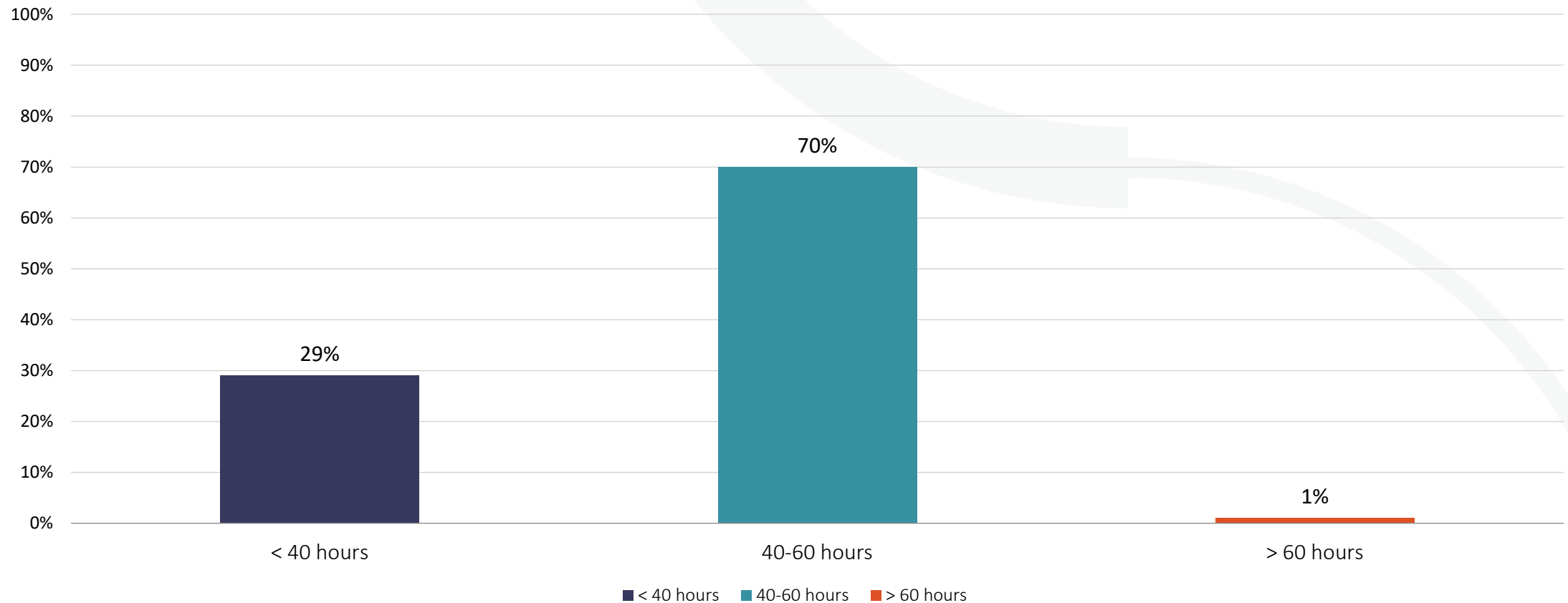
What was the average duration of an on-site customer visit in 2019?



REVIEW OF 2019 SALES AHEAD OF THE CORONA PANDEMIC

(Jan-Dec 2019)

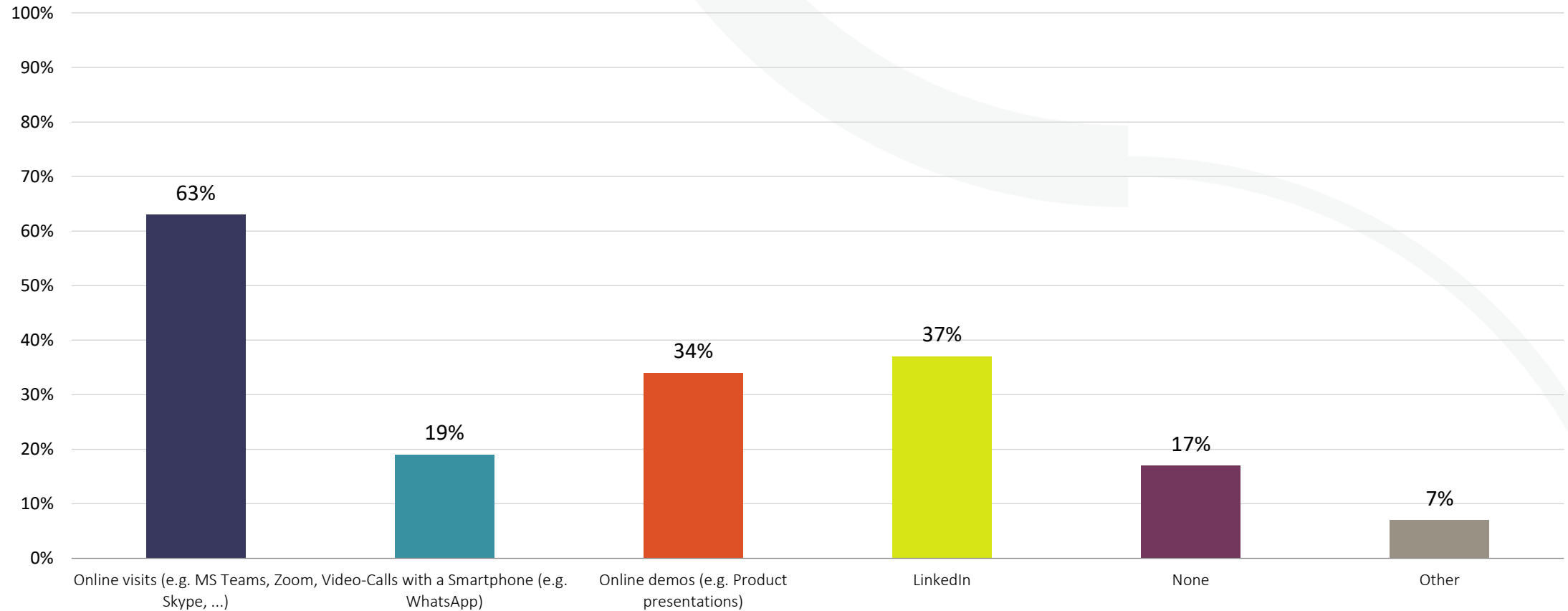
How many hours did a sales employee work per week? (incl. travel time)



REVIEW OF 2019 SALES AHEAD OF THE CORONA PANDEMIC

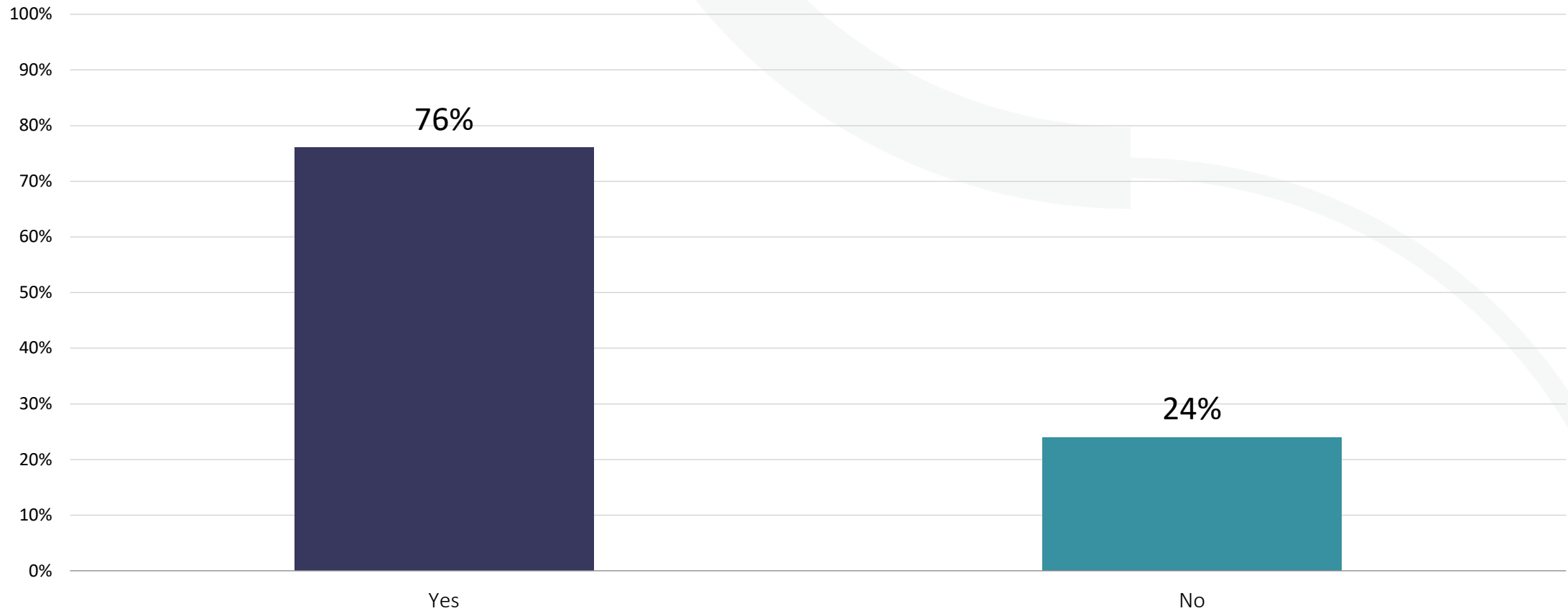
(Jan-Dec 2019)

Review 2019: which digital channels have already been regularly used by the field sales force in 2019 in interactions with customers? (multiple selection possible)



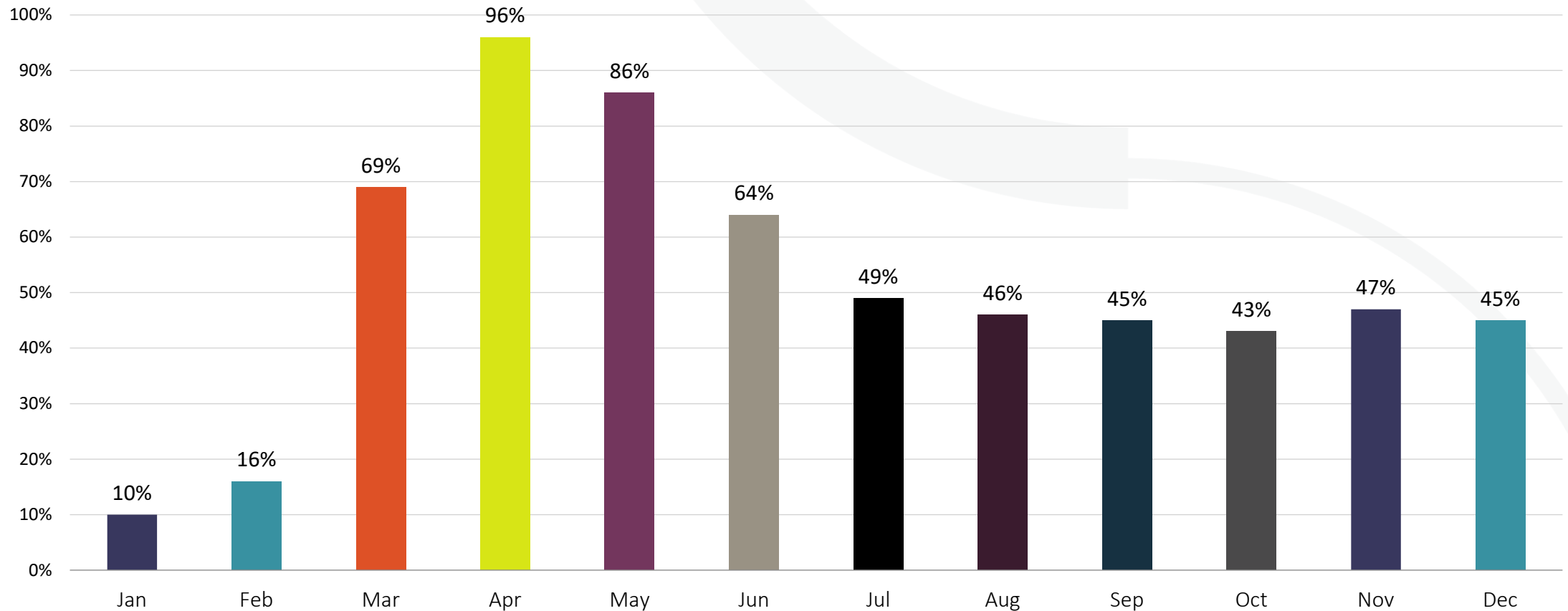
SITUATION IN SALES DURING THE CORONA PANDEMIC SHUTDOWN

SHUTDOWN DUE TO COVID 2020: Was there a relevant shutdown to your company in 2020, i.e., a time when on-site visits to customers could not be conducted?



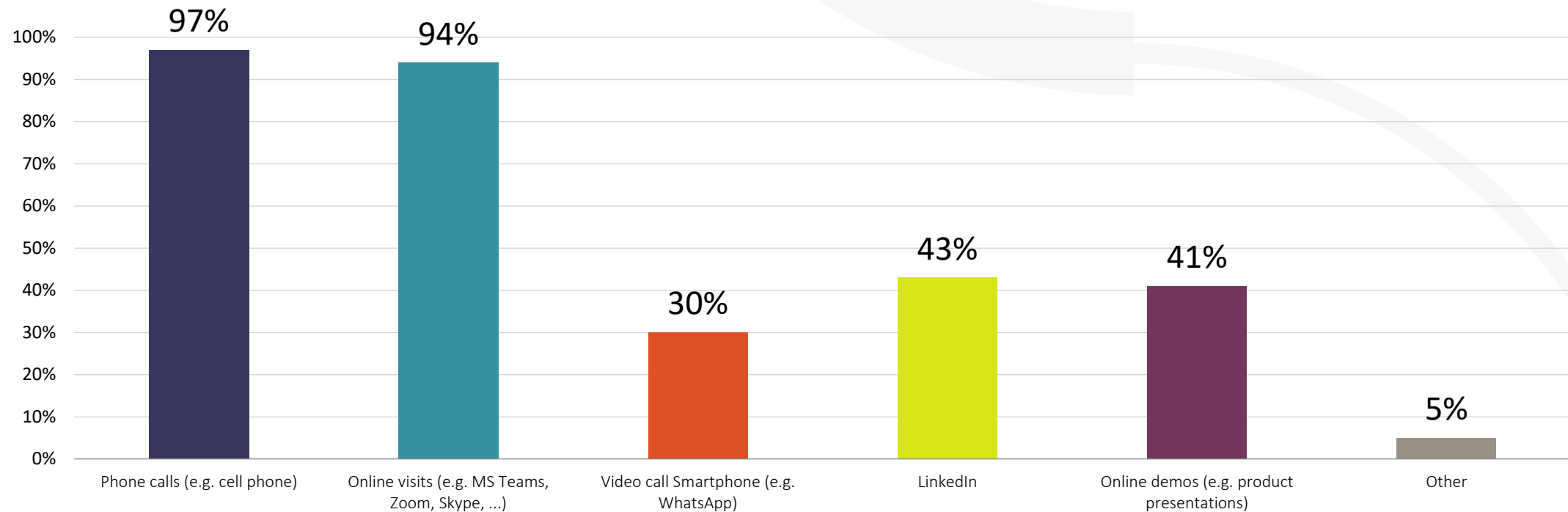
SITUATION IN SALES DURING THE CORONA PANDEMIC SHUTDOWN

If you answered yes previously, which months were primarily affected? (multiple selection possible)



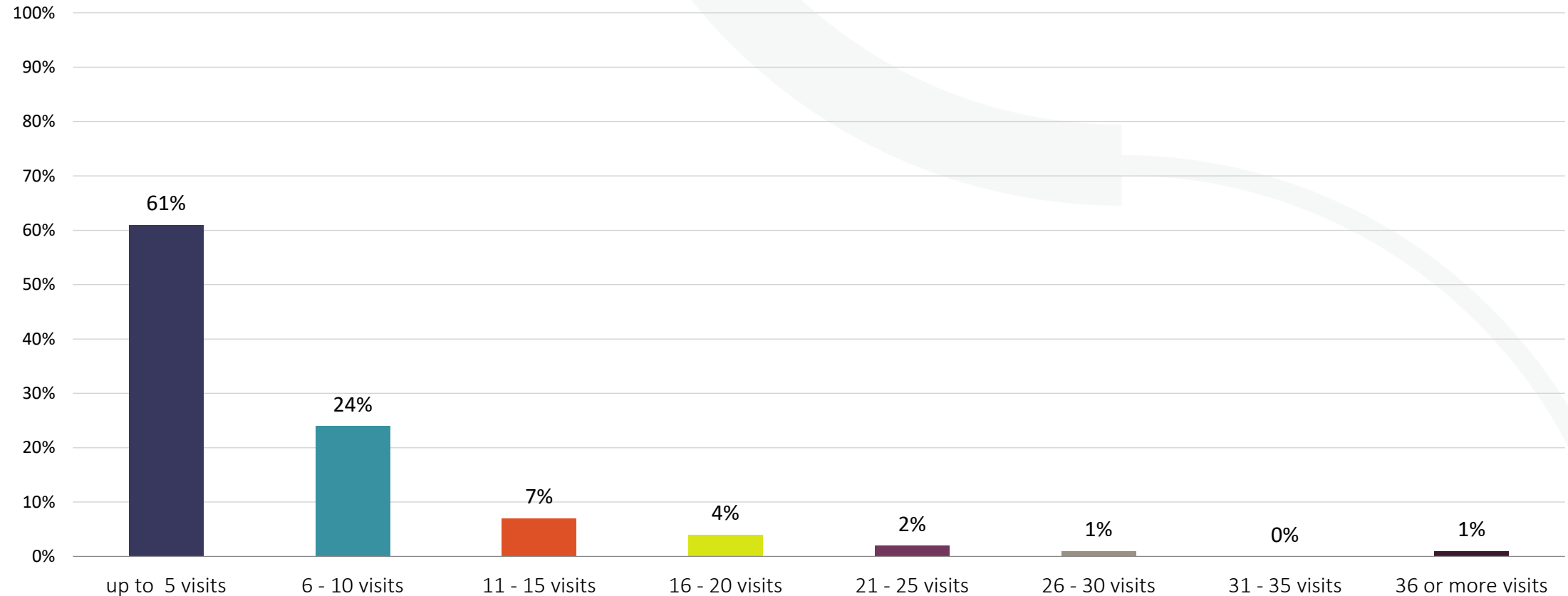
SITUATION IN SALES DURING THE CORONA PANDEMIC SHUTDOWN

COMMUNICATION CHANNELS DURING THE SHUTDOWN: Which of the following channels were used by the sales force to communicate with the customer during the shutdown? (multiple selection possible)



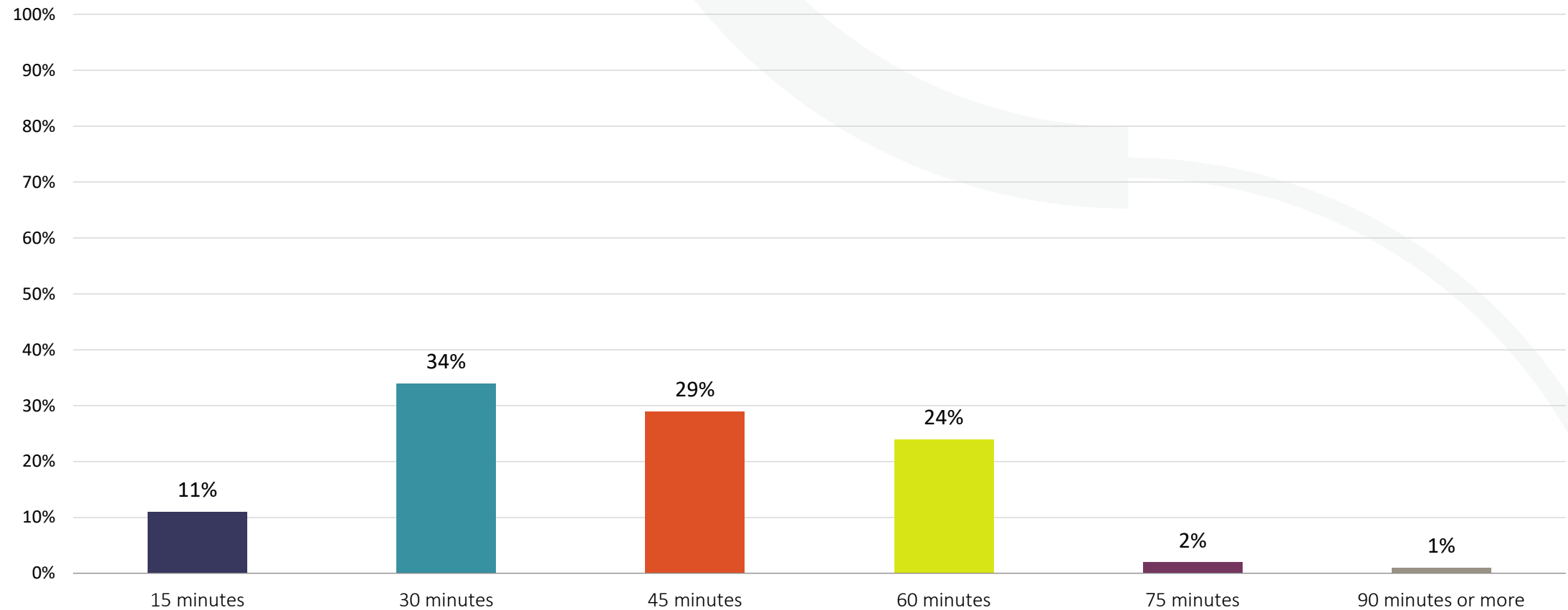
SITUATION IN SALES DURING THE CORONA PANDEMIC SHUTDOWN

ACTUAL ONLINE VISITS: During the shutdown, what was the actual number of online customer visits (e.g. Zoom, MS teams, Skype) per salesperson per week?



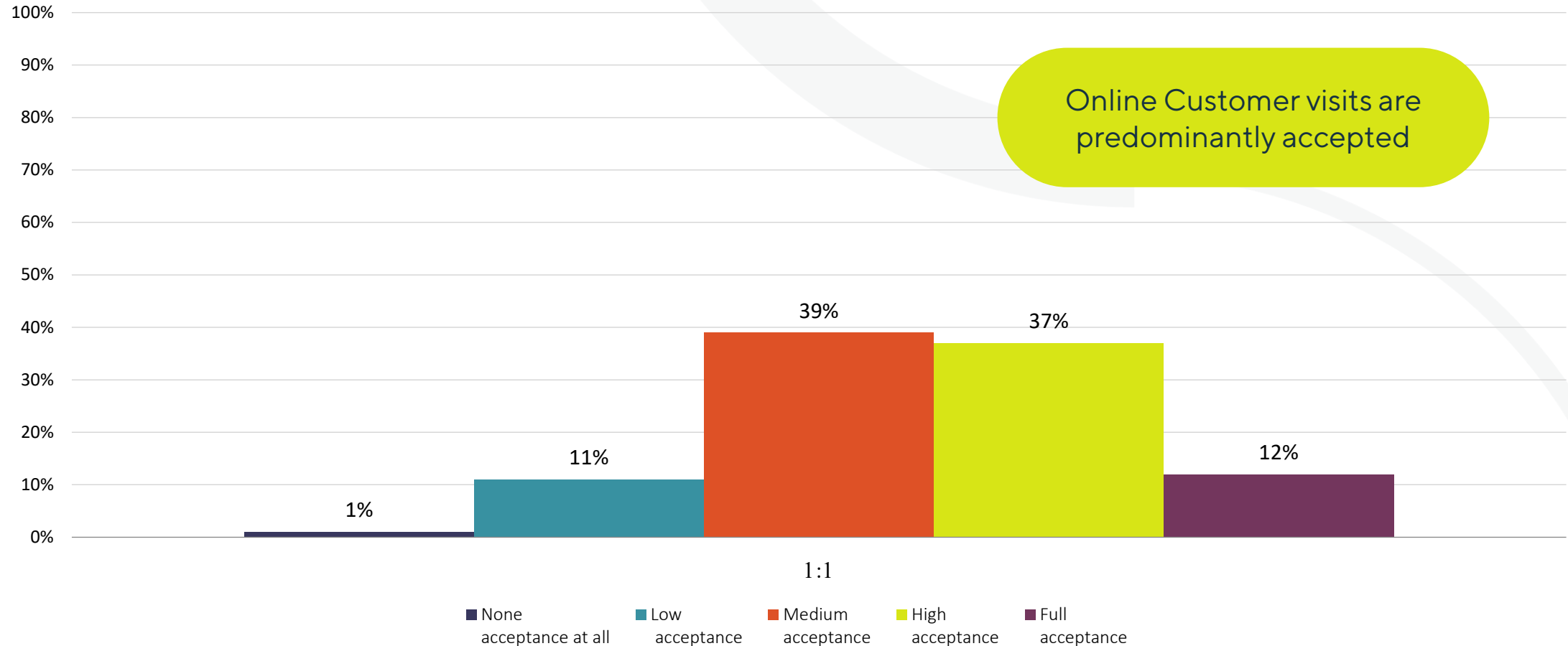
SITUATION IN SALES DURING THE CORONA PANDEMIC SHUTDOWN

How much time on average does an online customer visit take?



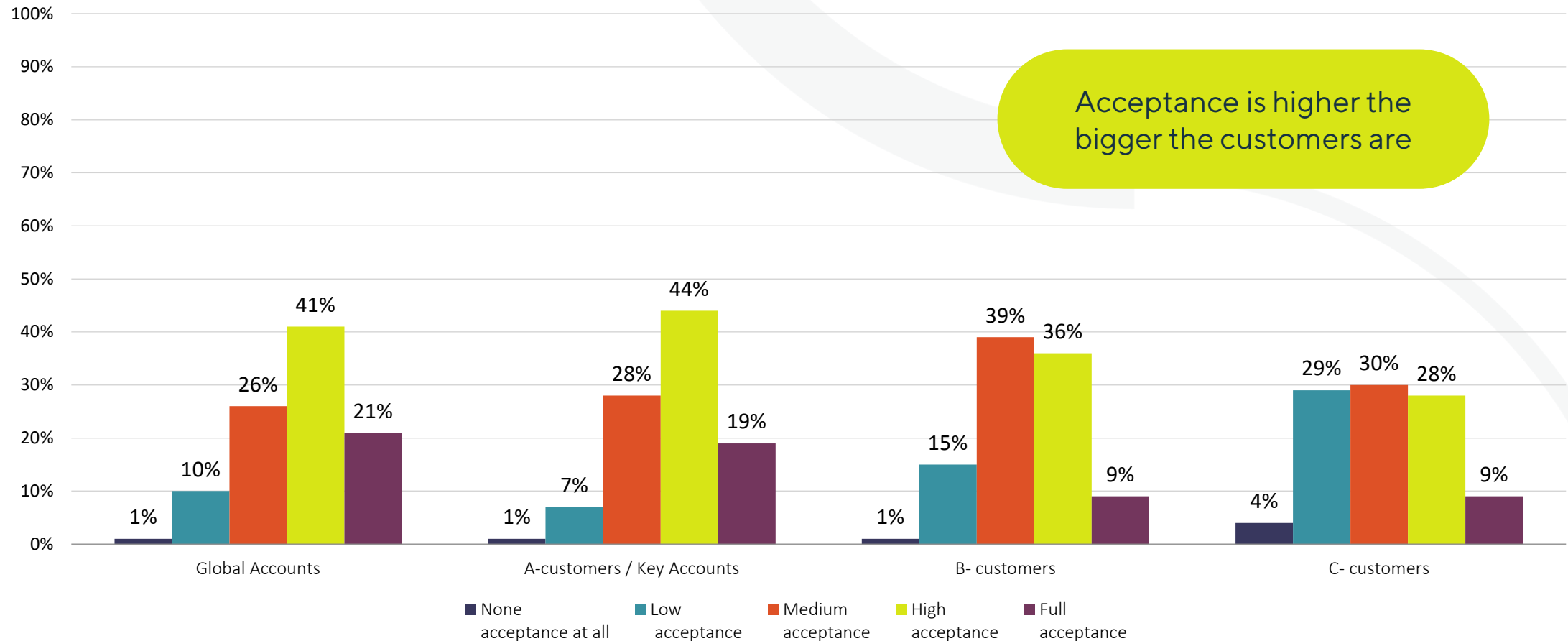
SITUATION IN SALES DURING THE CORONA PANDEMIC SHUTDOWN

EXPERIENCES WITH ONLINE CUSTOMER VISITS: What acceptance have online visits found among customers (in general)?



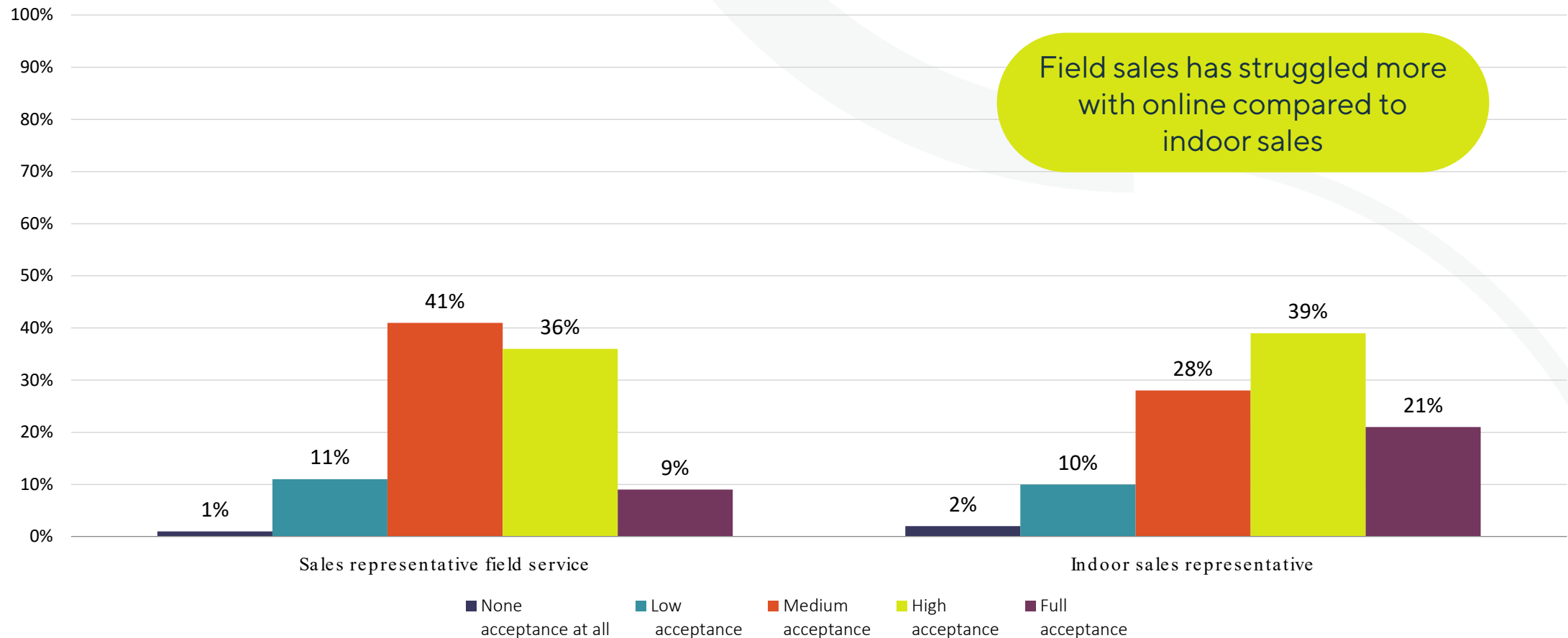
SITUATION IN SALES DURING THE CORONA PANDEMIC SHUTDOWN

What acceptance have online customer visits found among the following groups of people (by customer type)?



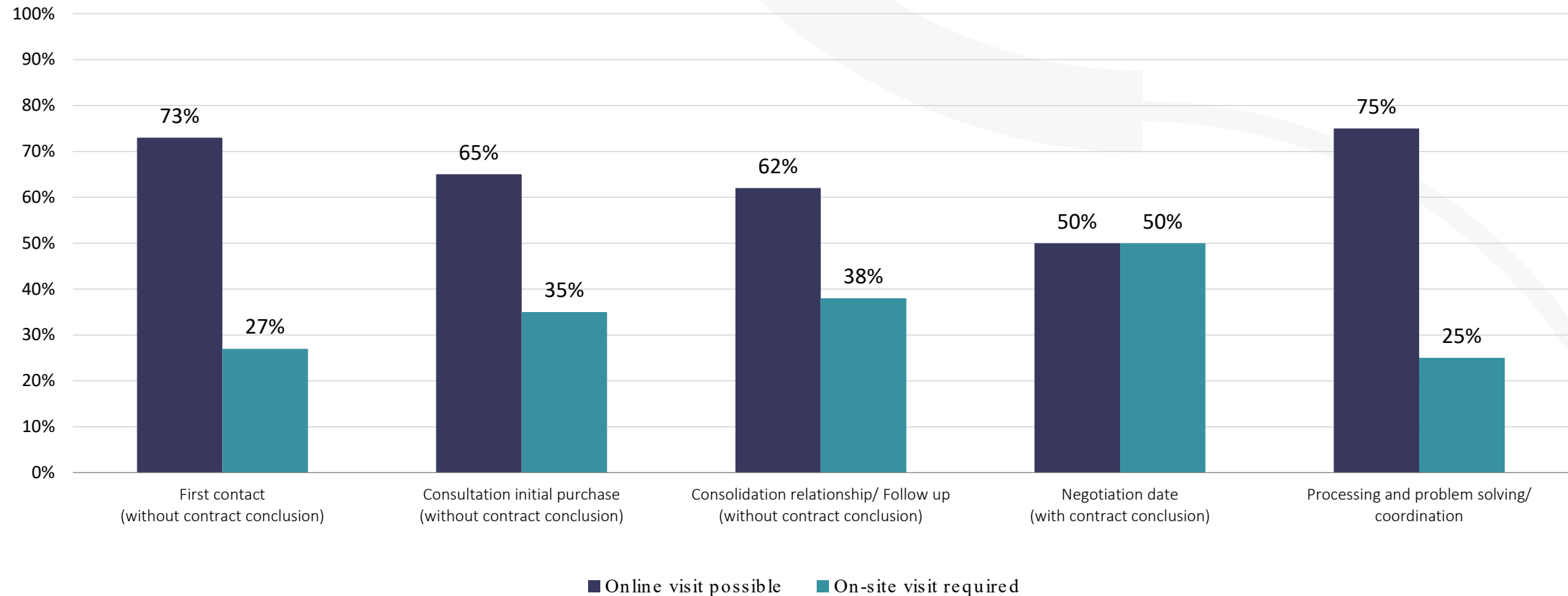
SITUATION IN SALES DURING THE CORONA PANDEMIC SHUTDOWN

What acceptance have online customer visits found among the following groups of people (by employee function)?



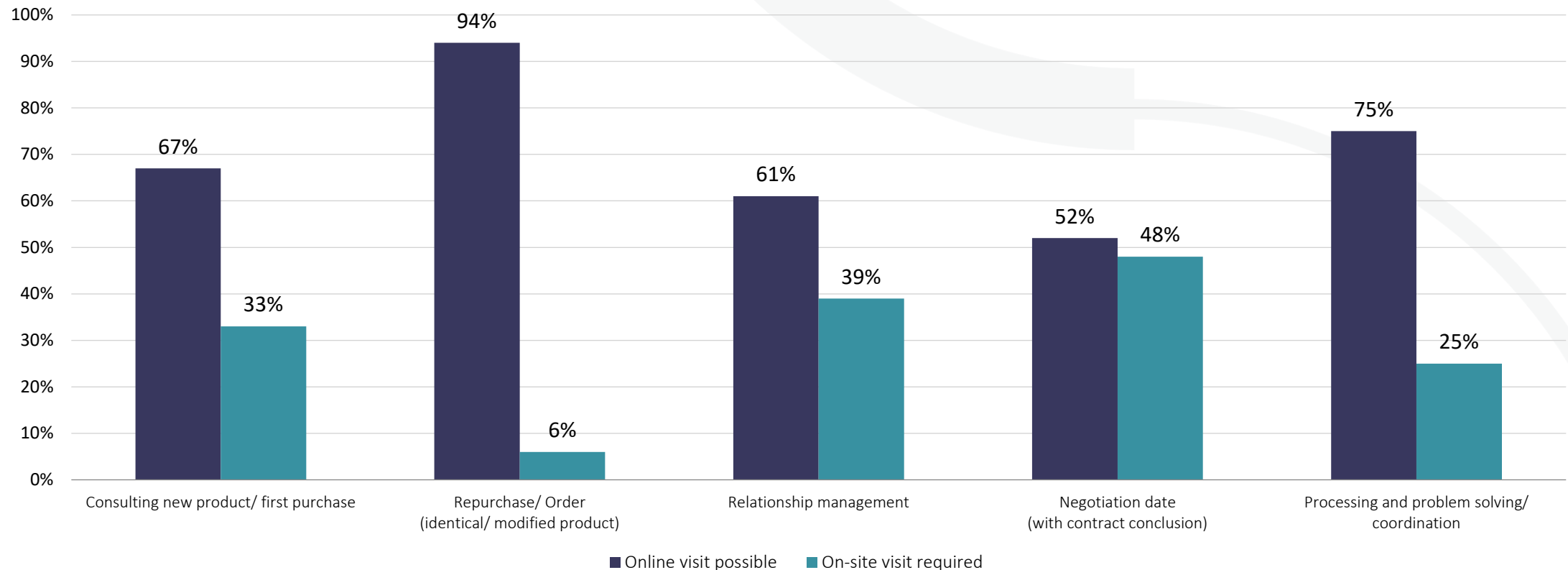
SITUATION IN SALES DURING THE CORONA PANDEMIC SHUTDOWN

EXPERIENCES WITH ONLINE VS. ON-SITE VISITS FOR DIFFERENT OCCASIONS WITH NEW CUSTOMERS: For which of the following visit types do you think effective customer care can succeed through an online visit - and for which is an on-site visit mandatory?



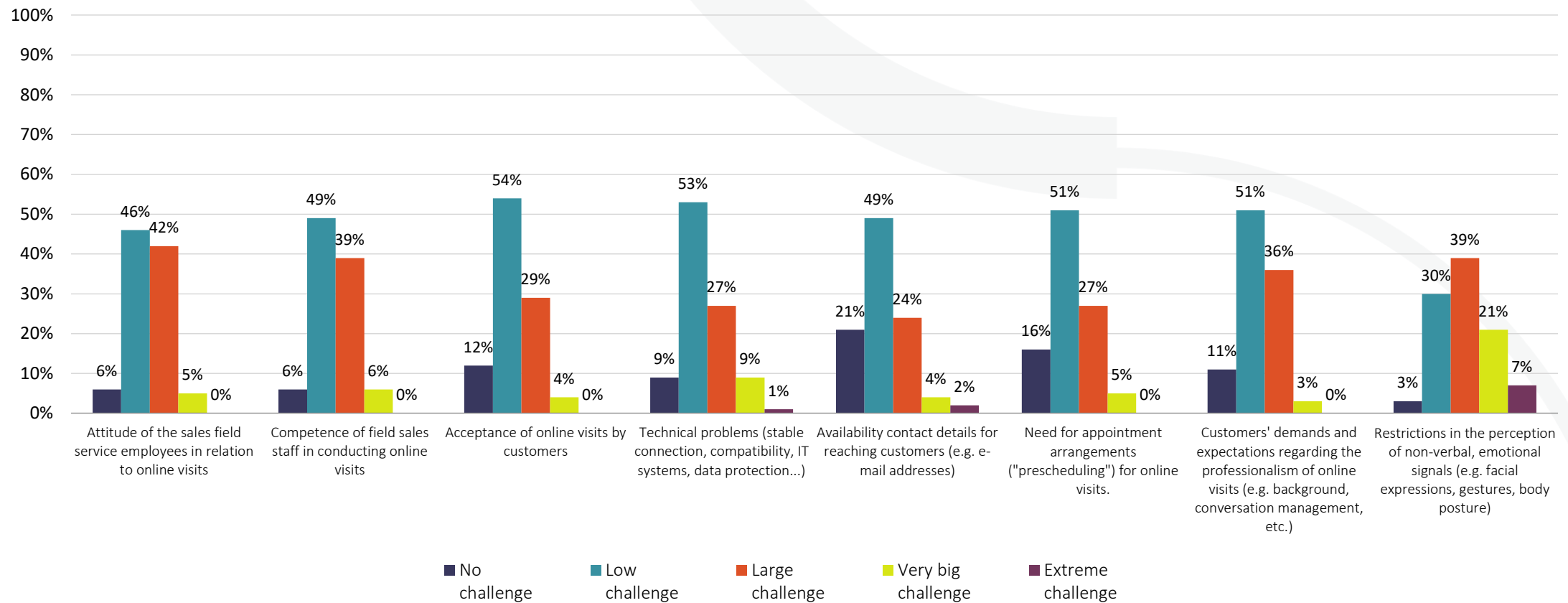
SITUATION IN SALES DURING THE CORONA PANDEMIC SHUTDOWN

EXPERIENCES WITH ONLINE VS. ON-SITE VISITS FOR DIFFERENT OCCASIONS WITH EXISTING CUSTOMERS: For which of the following visit types do you think effective customer care can succeed through an online visit - and for which is an on-site visit mandatory?



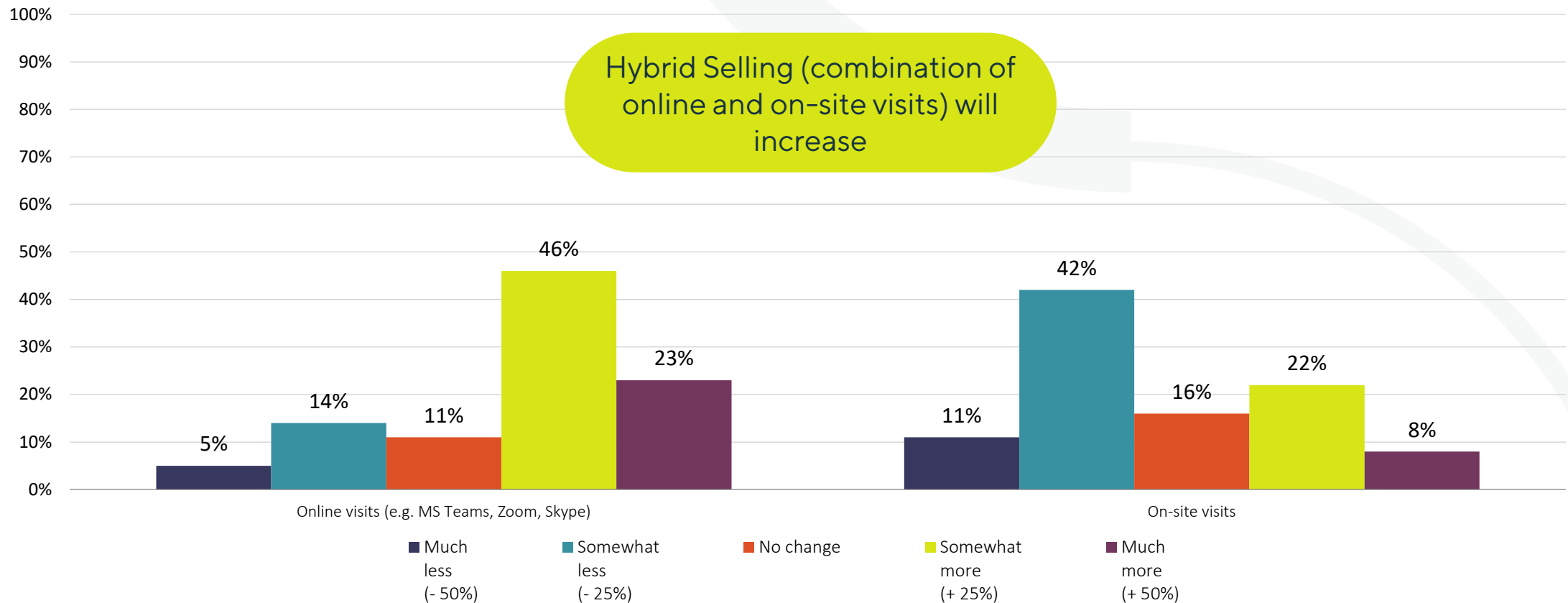
SITUATION IN SALES DURING THE CORONA PANDEMIC SHUTDOWN

CURRENT CHALLENGES WITH ONLINE VISITS (E.G. ZOOM, MS TEAMS, SKYPE): Please rate the extent to which each of the following is a challenge for you in the context of online visits.



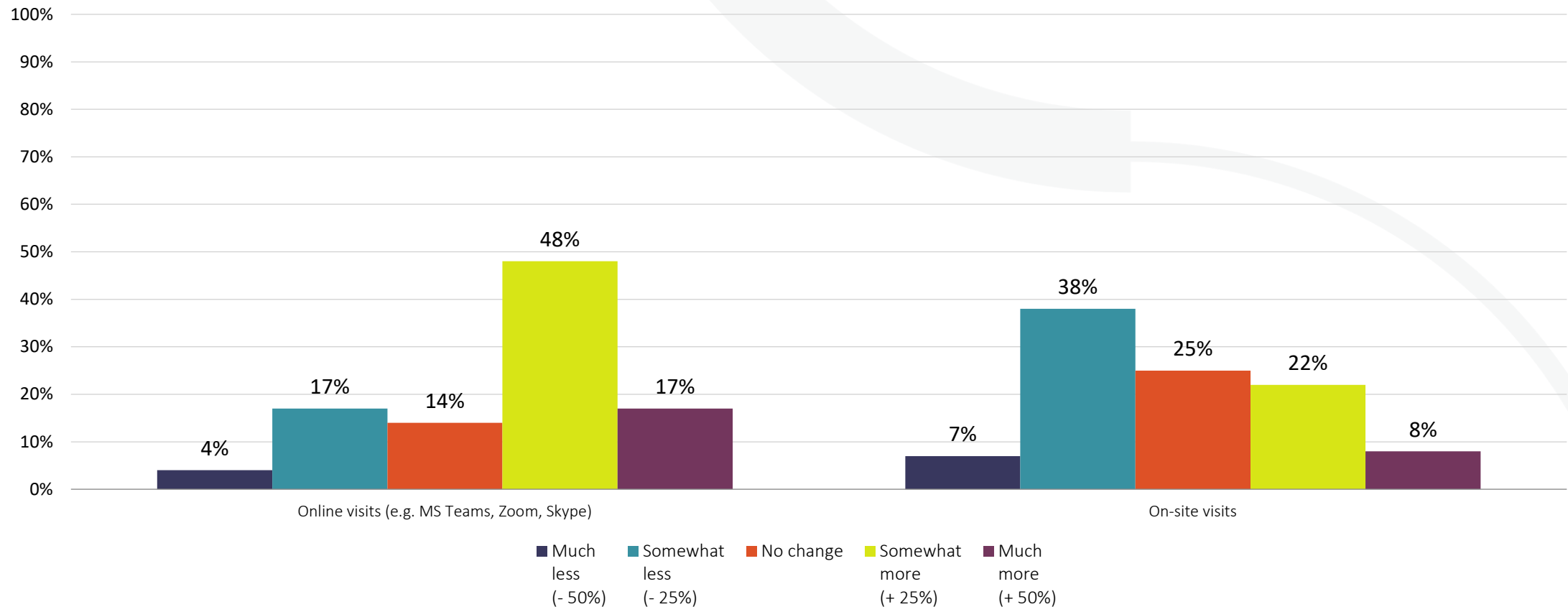
POST-SHUTDOWN SITUATION, THE USE OF HYBRID SELLING AND THE FUTURE OF SALES

SUPPORT FOR GLOBAL ACCOUNTS: How will the intensity of care change in terms of online and on-site visits over the next 5 years (through 2026)?



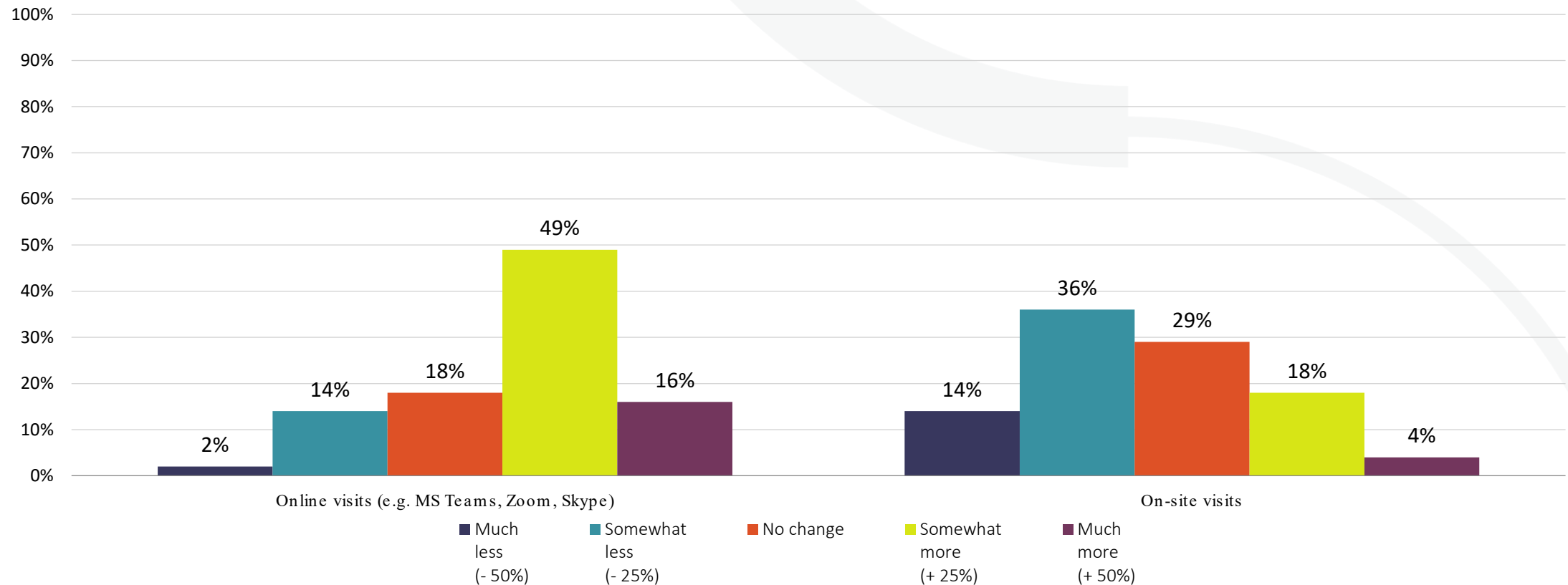
POST-SHUTDOWN SITUATION, THE USE OF HYBRID SELLING AND THE FUTURE OF SALES

SUPPORT FOR A-CUSTOMERS/KEY ACCOUNTS: How will the intensity of care change in terms of online and on-site visits over the next 5 years (through 2026)?

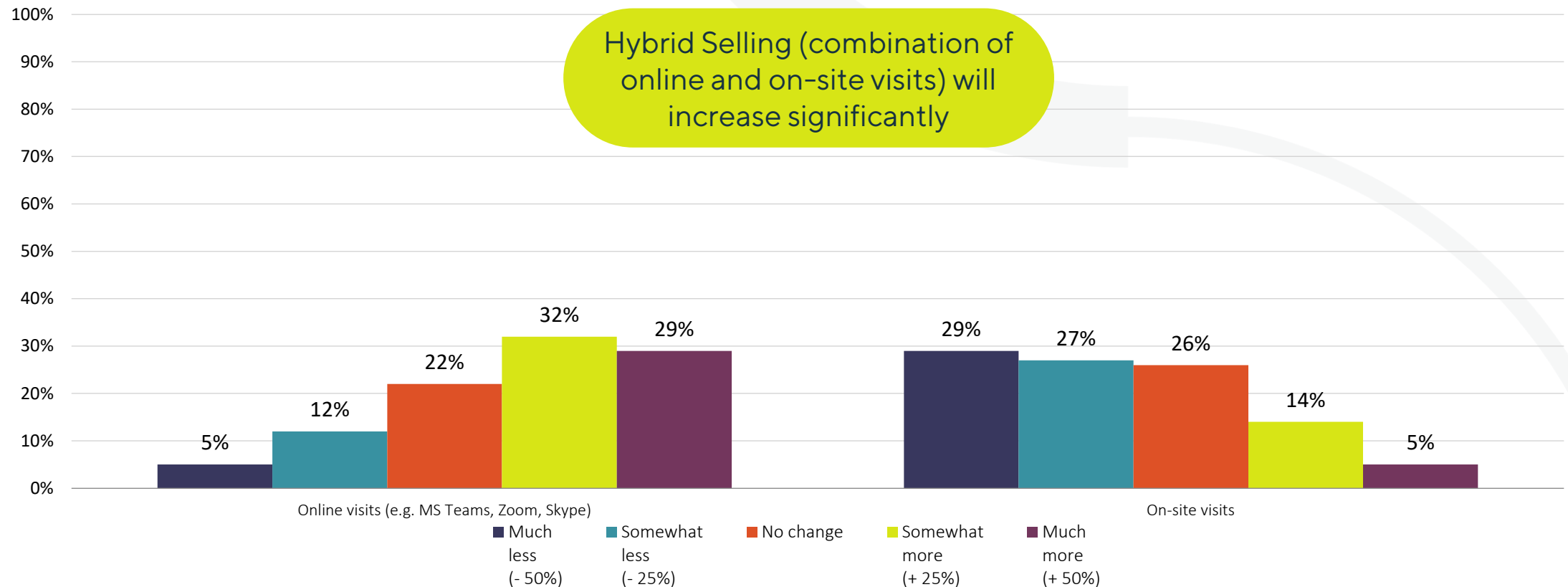


POST-SHUTDOWN SITUATION, THE USE OF HYBRID SELLING AND THE FUTURE OF SALES

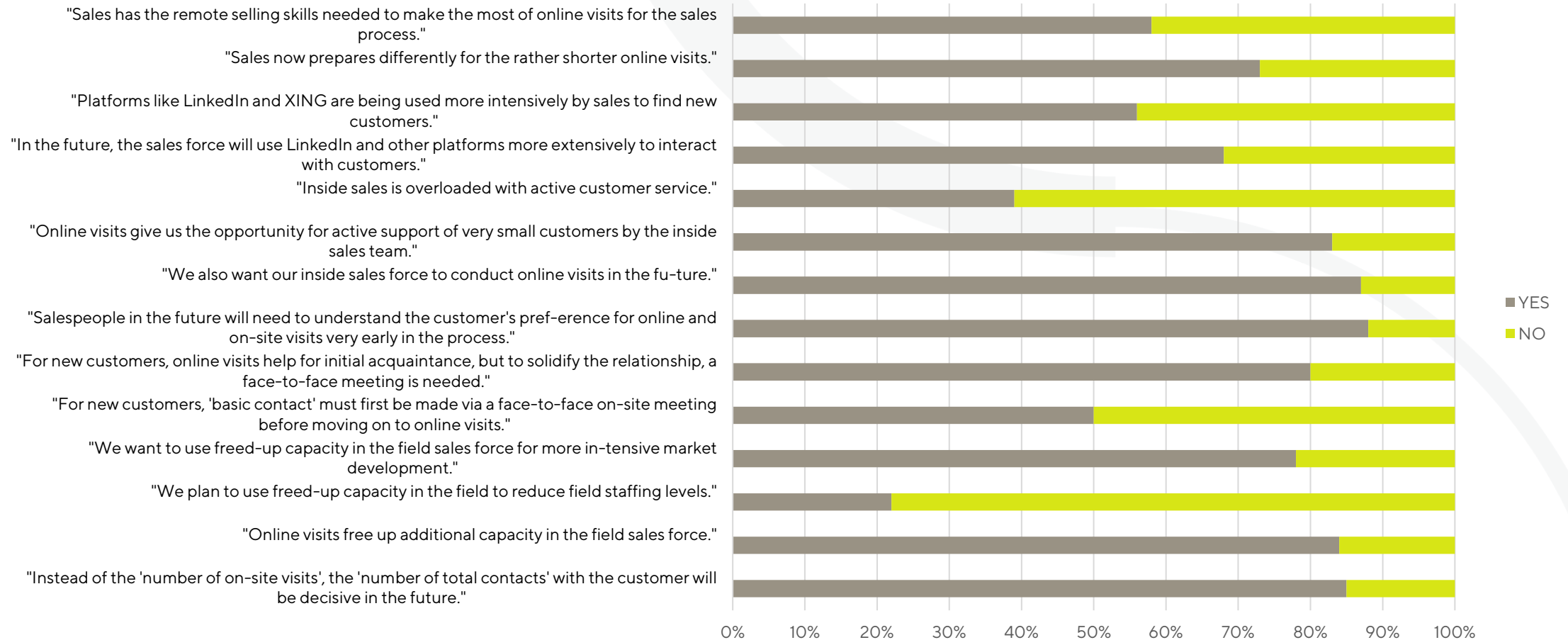
SUPPORT FOR B-CUSTOMERS: How will the intensity of care change in terms of online and on-site visits over the next 5 years (through 2026)?



POST-SHUTDOWN SITUATION, THE USE OF HYBRID SELLING AND THE FUTURE OF SALES



POST-SHUTDOWN SITUATION, THE USE OF HYBRID SELLING AND THE FUTURE OF SALES



POST-SHUTDOWN SITUATION, THE USE OF HYBRID SELLING AND THE FUTURE OF SALES

WHAT ARE THE CONSEQUENCES OF HYBRID SELLING FOR SALES MANAGEMENT?

Please formulate one sentence about what experiences, examples of success or failure you have had in the area of sales management in the context of hybrid selling in your own company:

“Finding a balance between online vs face-to-face, so that customers do NOT end up giving feed-back that we are less “present” than pre-COVID-19”

“Less time spent on travelling”

“It’s much more time-efficient and many of our larger accounts find it a great solution as saving time is always a big thing regardless of business. Time is money. However, the on-site visits are extremely important when it comes to relationship-building. Also exchanging some of the usual phone calls with a Teams meeting or Zoom brings the customer closer and helps going over strategies and plans where you can share your screen etc.”

“Personality is harder to bring to the table via online solutions. Meetings are more practical and shorter online. Meetings with company management are now prioritized and the other staff are met less, which is a minus. Less costs for travelling and less idle time between tasks!”

“There is a bigger risk of missing out on ad-hoc opportunities!”

“It is hard to really know what the customer feels when you not in the room!”

“Still need on-site meetings to find new opportunities that you don't necessarily find in virtual meetings!”

POST-SHUTDOWN SITUATION, THE USE OF HYBRID SELLING AND THE FUTURE OF SALES

WHAT ARE THE CONSEQUENCES OF HYBRID SELLING FOR SALES MANAGEMENT?

Please formulate one sentence about what experiences, examples of success or failure you have had in the area of sales management in the context of hybrid selling in your own company:

“Reduced travel cost”

“It is harder to motivate salespeople and advance the sales process when a lot of the meetings are online”

“Properly utilized, the combination of on-site and online visits works together. But on-site visits are required to create relationships and explain / gain acceptance in more complex - larger business cases. To take several meetings at the same time onsite at the customer and meet more groups of stakeholders at the same time - that works much better on-site and gives a better outcome”

“Faster and easier access to customers”

“Leading and managing people has become more and more important”

“Difficulty to network with online sales meetings which is normally done in on-site visits”

“Hybrid selling gives the possibility to focus more FTEs on customer care and retention, and less FTEs on new sales, which in the end leads to same or actually better results”

POST-SHUTDOWN SITUATION, THE USE OF HYBRID SELLING AND THE FUTURE OF SALES

WHAT ARE THE CONSEQUENCES OF HYBRID SELLING FOR SALES MANAGEMENT?

Please formulate one sentence about what experiences, examples of success or failure you have had in the area of sales management in the context of hybrid selling in your own company:

“Even before Covid we had more online meetings than IRL meetings. We will adjust to every single market. For example, it will be more IRL meetings in Germany than in the UK”

“Our customers expect and demand to see a product. Only in the depths of lockdown was it acceptable not to offer that”

“Some sales persons are reluctant to use new communication channels and continue travelling for personal reasons”

“We believed that most of the sales reps could handle the mix of online / face to face meeting by themselves”

“Better time management and less travelling! Digital sales saves time and increases efficiency for the company and our customers”

“Very different attitude depending on the seniority of the sales staff”

POST-SHUTDOWN SITUATION, THE USE OF HYBRID SELLING AND THE FUTURE OF SALES

WHAT ARE THE CONSEQUENCES OF HYBRID SELLING FOR SALES MANAGEMENT?

Please formulate one sentence about what experiences, examples of success or failure you have had in the area of sales management in the context of hybrid selling in your own company:

“Live visits cannot be overrated - online activities are the top up not the base”

“Pure success and happier staff performing great results meanwhile getting better quality when off work”

“Sales were not used to doing online visits in the beginning, but learned by doing”

“We cannot move faster than our customer base and will need to be as agile as we are sensitive and treat various customers differently - there is no "one size fits all" solution”

“Sales meetings via Teams work very well. It is quick and easy to just make a call via Teams and add video and have a virtual face-to-face first meeting directly”

SELECTED RESULTS AND FINDINGS (GERMANY)

FACT SHEET: DATA COLLECTION AND STRUCTURE OF THE SAMPLE

JOINT RESEARCH PROJECT:



Prof. Dr. Christian Schmitz
Ruhr University Bochum



Dr. Matthias Huckemann
Mercuri International



**SALES
MANAGEMENT
DEPARTMENT**



Step 1: Qualitative preliminary study

Desk research and focus group with 8 executives from B2B sales, open discussion with executives of the Federal Association of Sales Managers.

Step 2: Quantitative deepening

- Development of an online survey
- **Survey period:** March - April 2021

Sample:

N=777 B2B companies based in the DACH region

Industry:

35,7% Industrial goods manufacturers
18,1% Service companies
11,0% Wholesale and retail trade
10,8% IT and telecommunications
8,3% Pharmaceuticals, medical technology and healthcare
6,2% Consumer goods manufacturers
3,7% Banks, insurances and financial service providers
6,3% Others

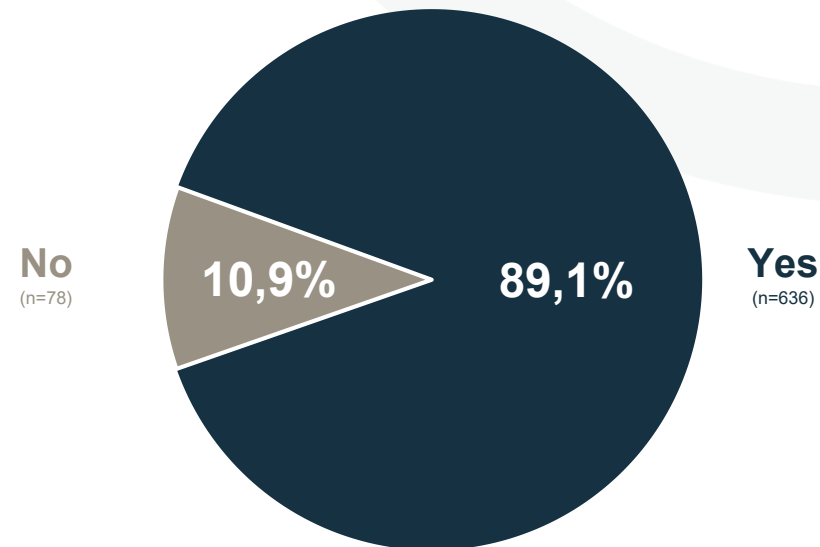
Key Informants:

39.3% Sales/distribution manager
31.5% Managing Director/ Board of Directors
9.9% BU Head/ Division Head
5.3% Area Sales Manager
2.4% Head of Sales Excellence
1.6% Marketing Manager
10.1% Other

OVER 89% OF COMPANIES WERE AFFECTED SALES-WISE BY THE COVID SHUTDOWN IN 2020

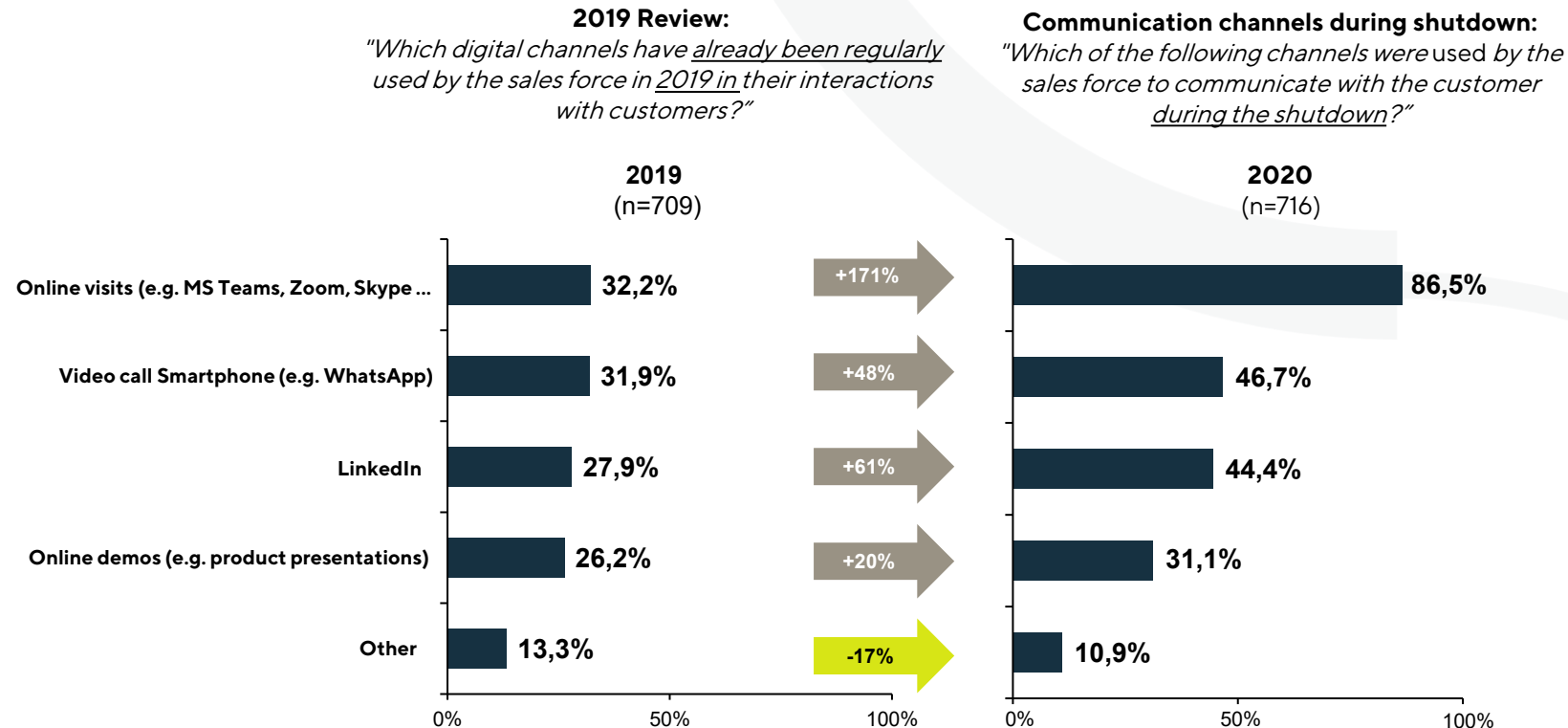
"Shutdown over COVID 2020:

Was there a shutdown in 2020 that was relevant to your business, i.e. a time when no on-site visits could be made to customers?"



Schmitz/Huckemann (2021), Hybrid Selling: More sales productivity through synchronized on-site and online visits, study Ruhr-Universität Bochum, n = 777 B2B companies.

DURING THE SHUTDOWN, THE USE OF DIGITAL CHANNELS, ESPECIALLY ONLINE VISITS, INCREASED SIGNIFICANTLY

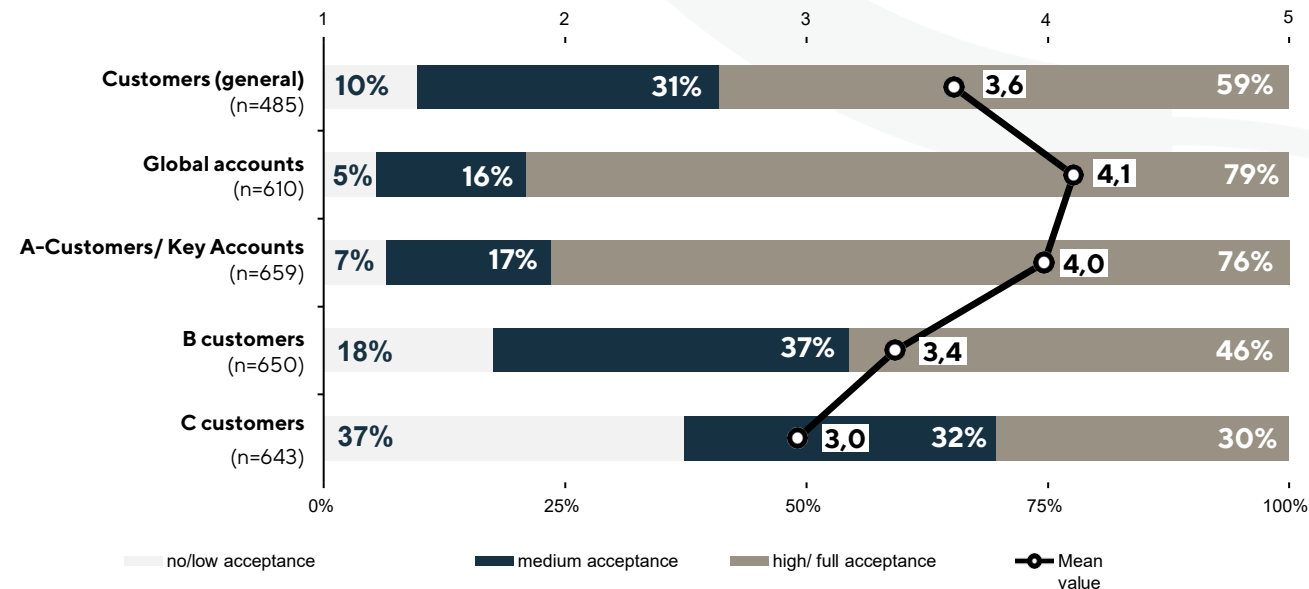


Schmitz/Huckemann (2021), Hybrid Selling: More sales productivity through synchronized on-site and online visits, study Ruhr-Universität Bochum, n = 777 B2B companies.

THE HIGHEST ACCEPTANCE OF ONLINE CUSTOMER VISITS IS FOUND AMONG GLOBAL ACCOUNTS AND A-CUSTOMERS/KEY ACCOUNTS

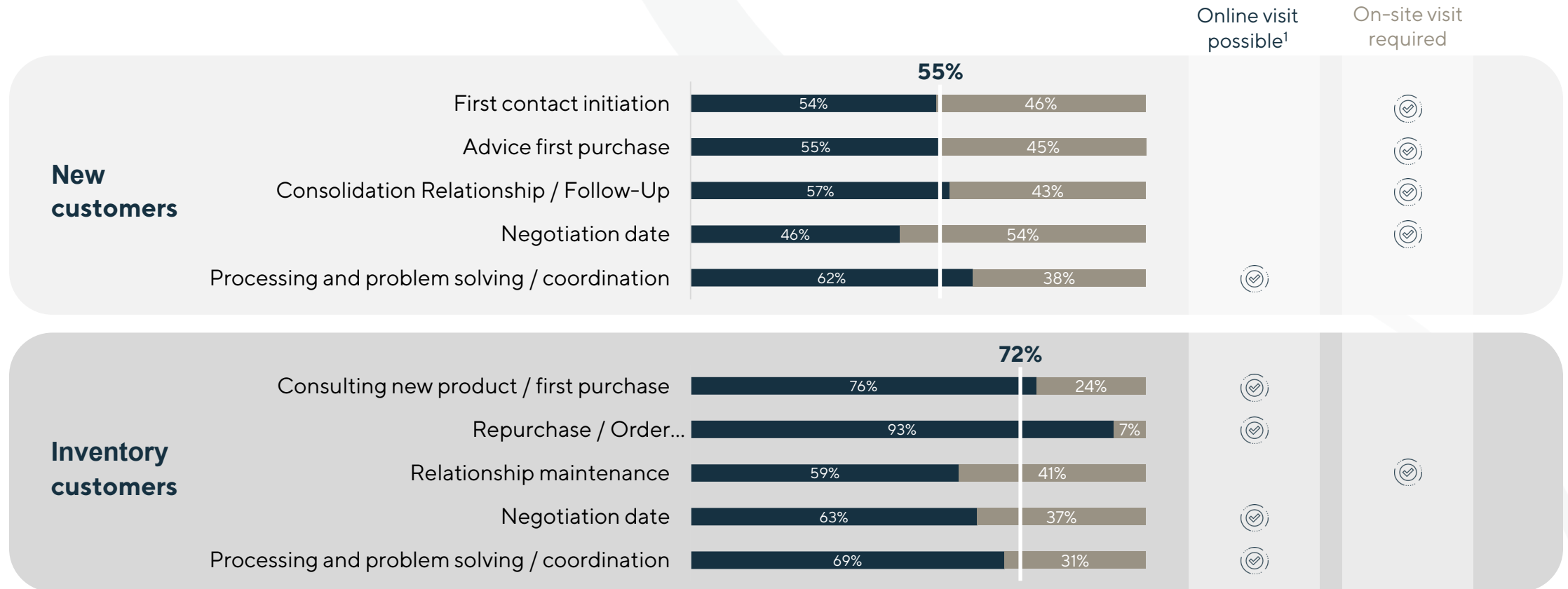
"Experiences with online customer visits:

What has been the acceptance of online customer visits by the following customer groups?"



Schmitz/Huckemann (2021), Hybrid Selling: More sales productivity through synchronized on-site and online visits, study Ruhr-Universität Bochum, n = 777 B2B companies.

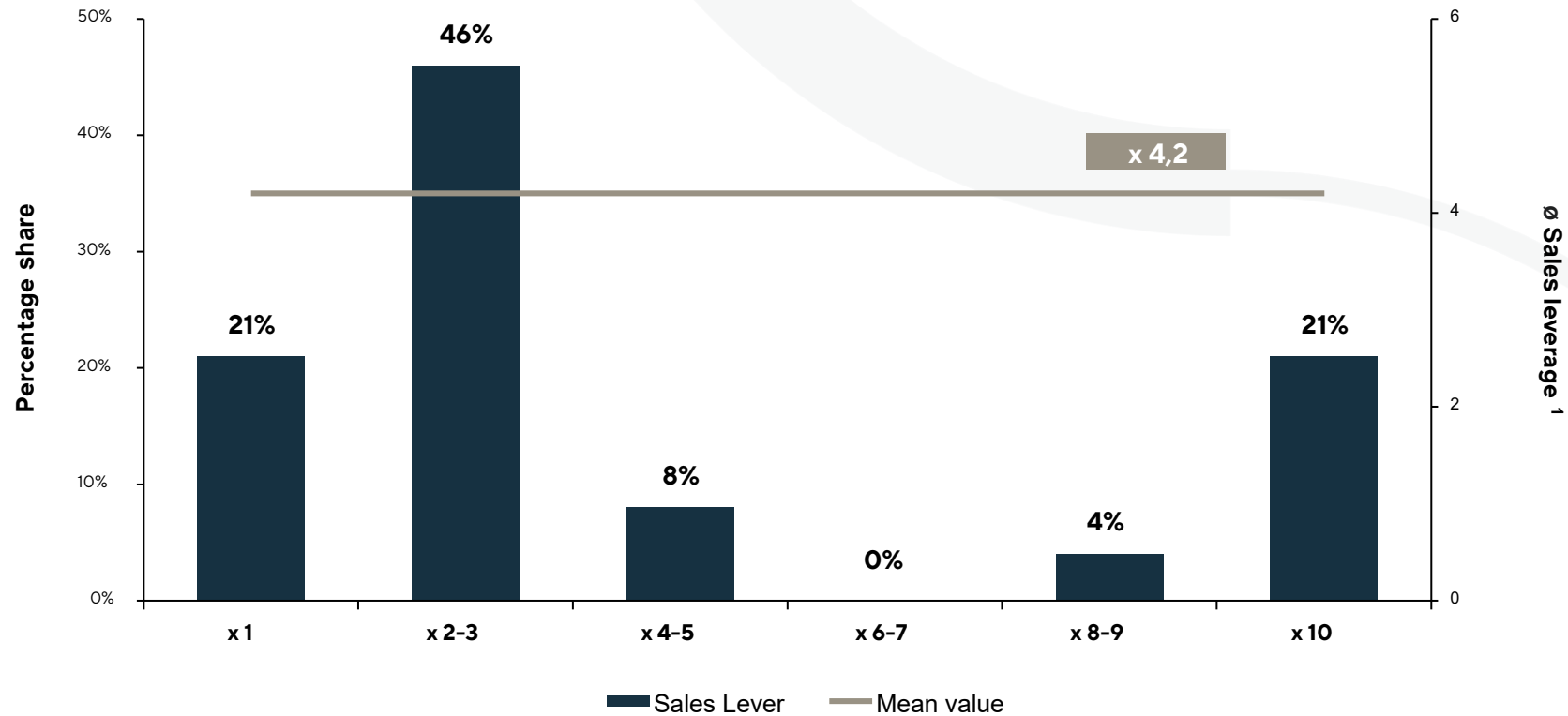
MORE B2B ONLINE VISITS WILL BE POSSIBLE AFTER THE SHUTDOWN, ESPECIALLY IN EXISTING CUSTOMER CARE



¹ For "Online visit possible" Categorization "Online visit possible" So st. "On-site visit required"

LEVERAGE OF ONLINE VISITS ON VISIT CAPACITY

"X number of online visits possible per week relative to previous on-site visits."

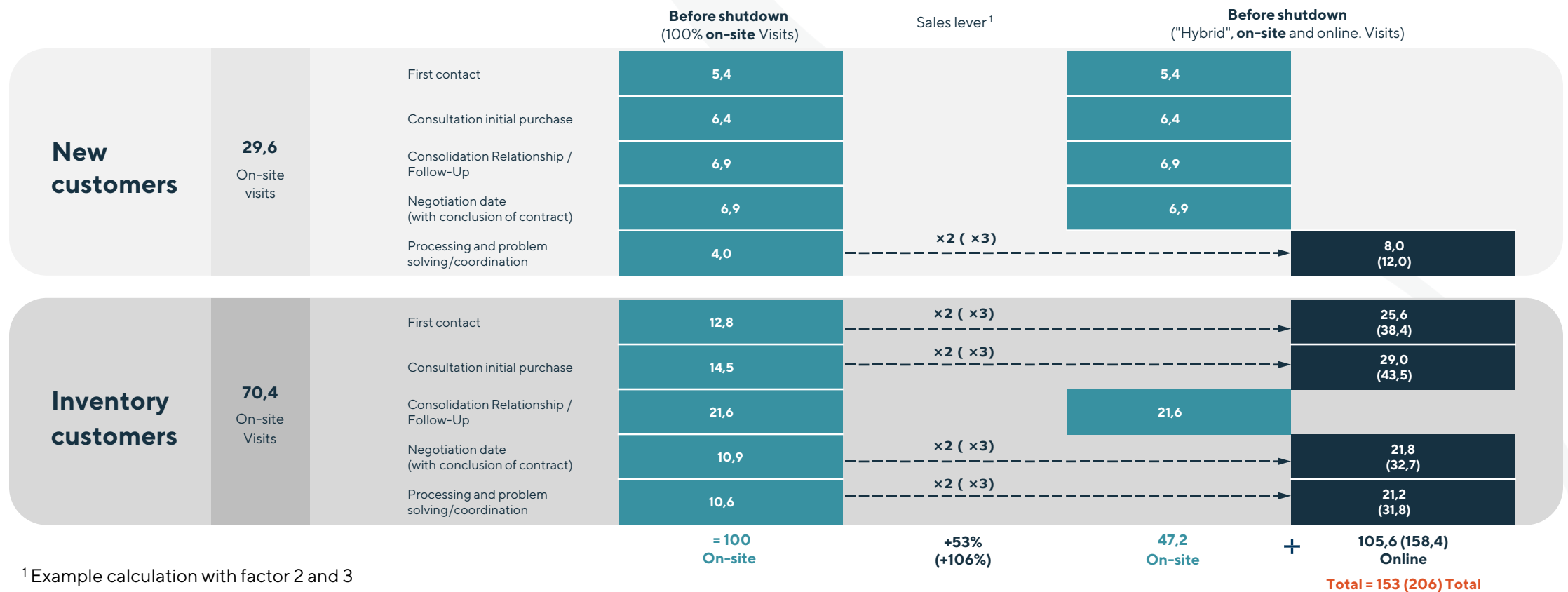


¹ Sales leverage is company-specific (higher productivity from online to on-site visits)

SMD/BDVM : Flash survey "VKick in February - COVID-Set Up and Next new normal", online event of the German Association of Sales Managers, 03.02.2021, n = 24.

POTENTIAL HYBRID FUTURE MODEL ENABLES PRODUCTIVITY GAINS FROM 53% MORE CUSTOMER VISITS

Before the shutdown: 100 site visits split up by...

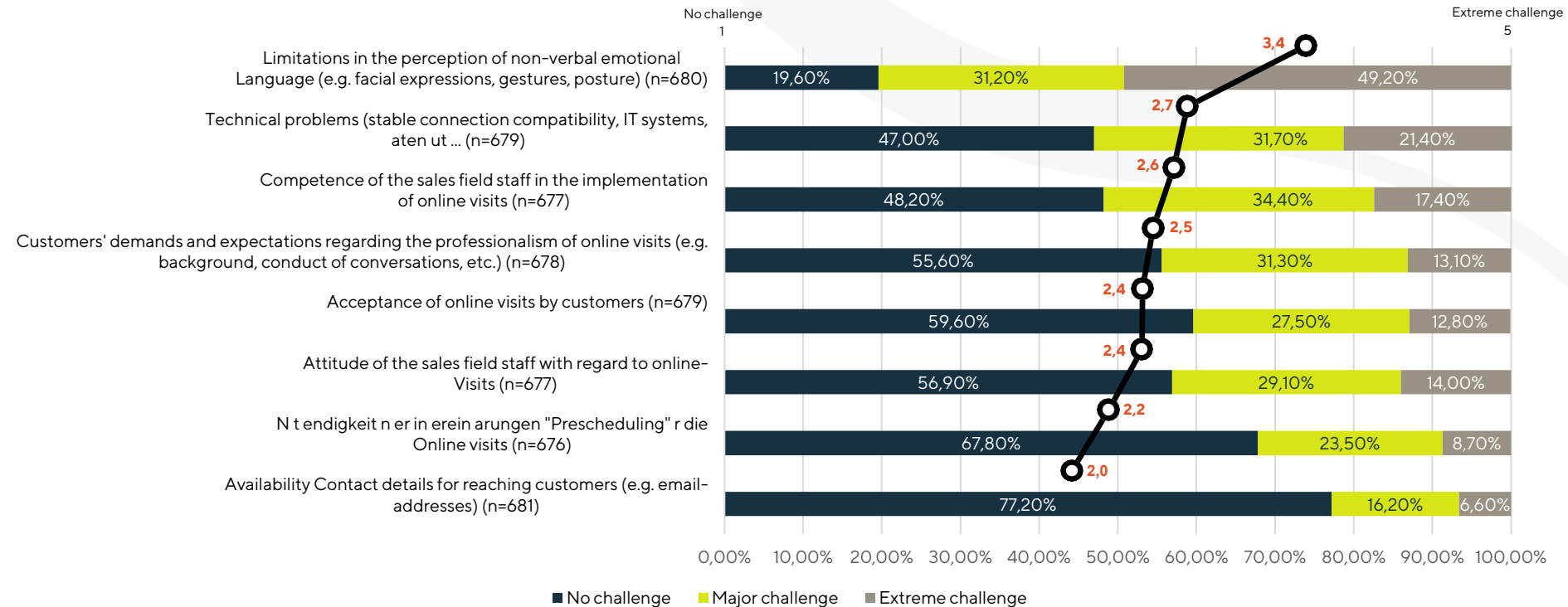


¹ Example calculation with factor 2 and 3

Schmitz/Huckemann (2021), Hybrid Selling: More sales productivity through synchronized on-site and online visits, study Ruhr-Universität Bochum, n = 777 B2B companies.

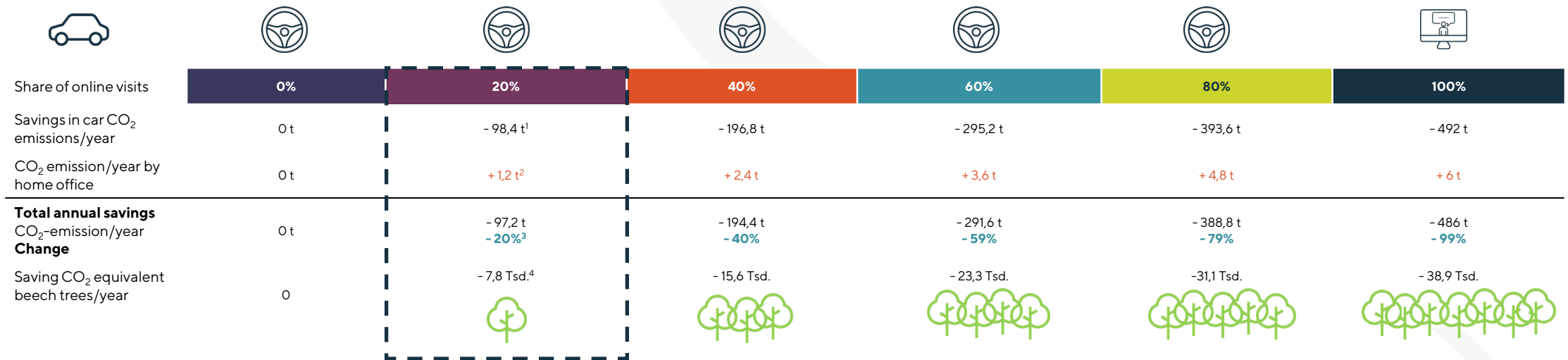
THE BIGGEST CHALLENGE WITH ONLINE VISITS LIES IN THE LIMITATIONS OF THE PERCEPTION OF NON-VERBAL COMMUNICATION

"Current challenges with online visits (e.g., Zoom, Teams, Skype): please rate the extent to which the following are challenges for you in the context of online visits"



Schmitz/Huckemann (2021), Hybrid Selling: More sales productivity through synchronized on-site and online visits, study Ruhr-Universität Bochum, n = 777 B2B companies.

HYBRID SELLING INCREASES SALES CAPACITY AND AT THE SAME TIME IMPROVES THE CARBON FOOTPRINT OF SALES



Reduction of CO₂ emission by **97,2 Tons** with **20 % online Visits**

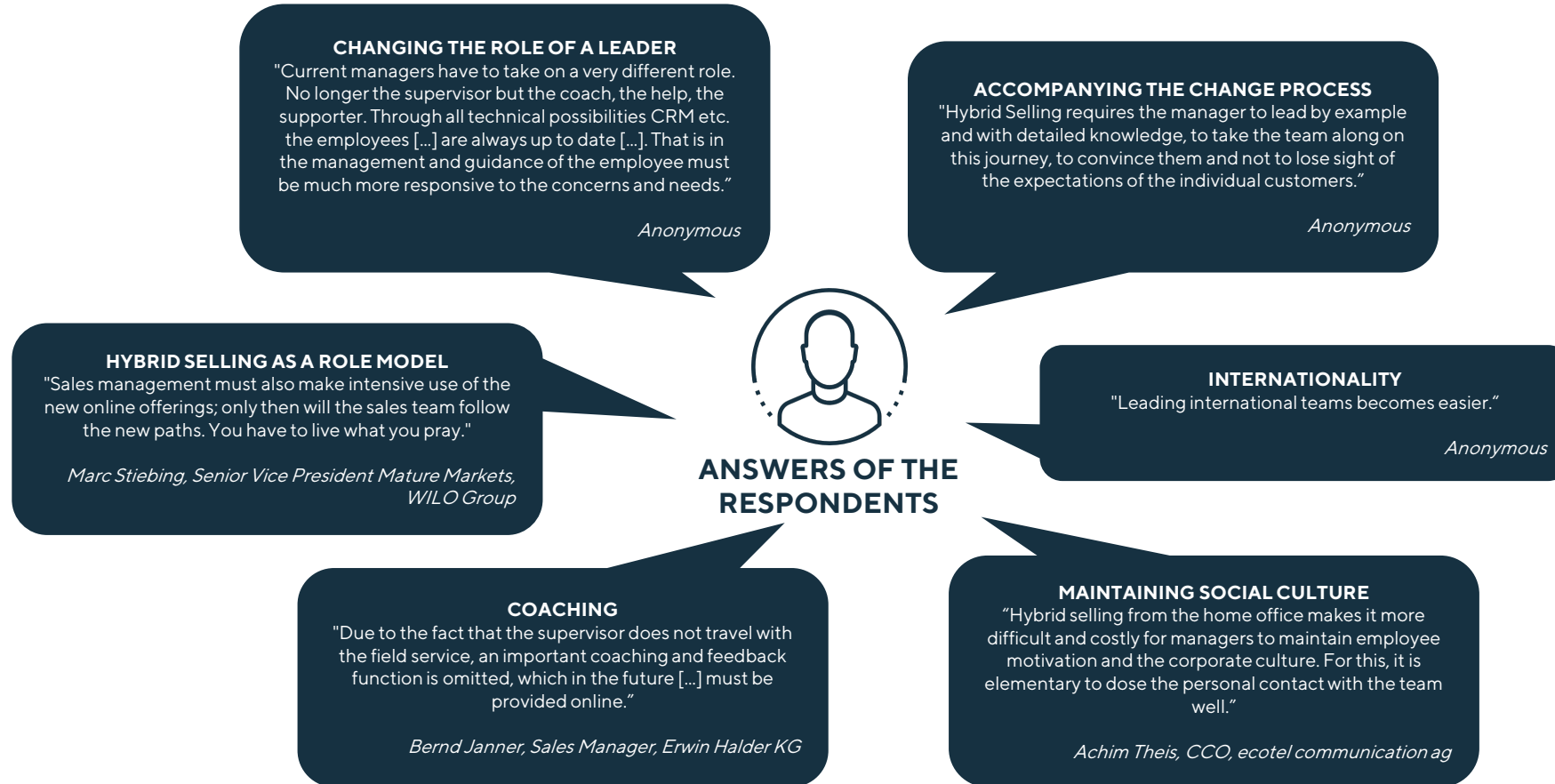


7.800 beech trees (CO₂ equivalent) less necessary, to become **climate neutral**

Source: Schmitz/Ergun (2021), SMD calculation based on

¹ Audi (2021), ² Statistisches Landesamt Baden-Württemberg (2021), ³ Calculation based on 100 field staff; change depending on baseline emissions of 492 t at 100% on-site visits, ⁴ CO₂ Online (2021).

CHANGES IN THE SALES TASK LEAD TO NEW DEMANDS ON SALES MANAGERS

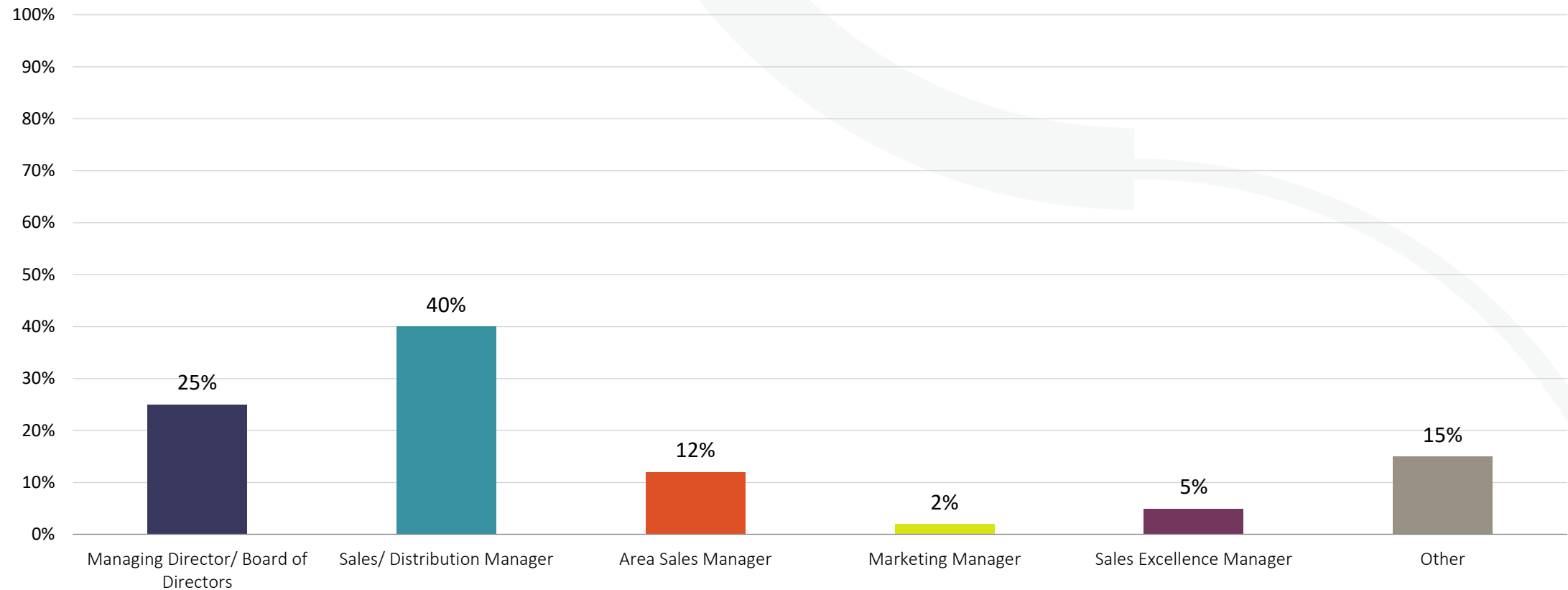


Schmitz/Huckemann (2021), Hybrid Selling: More sales productivity through synchronized on-site and online visits, study Ruhr-Universität Bochum, n = 777 B2B companies.

INFORMATION ABOUT PARTICIPANTS (INTERNATIONAL)

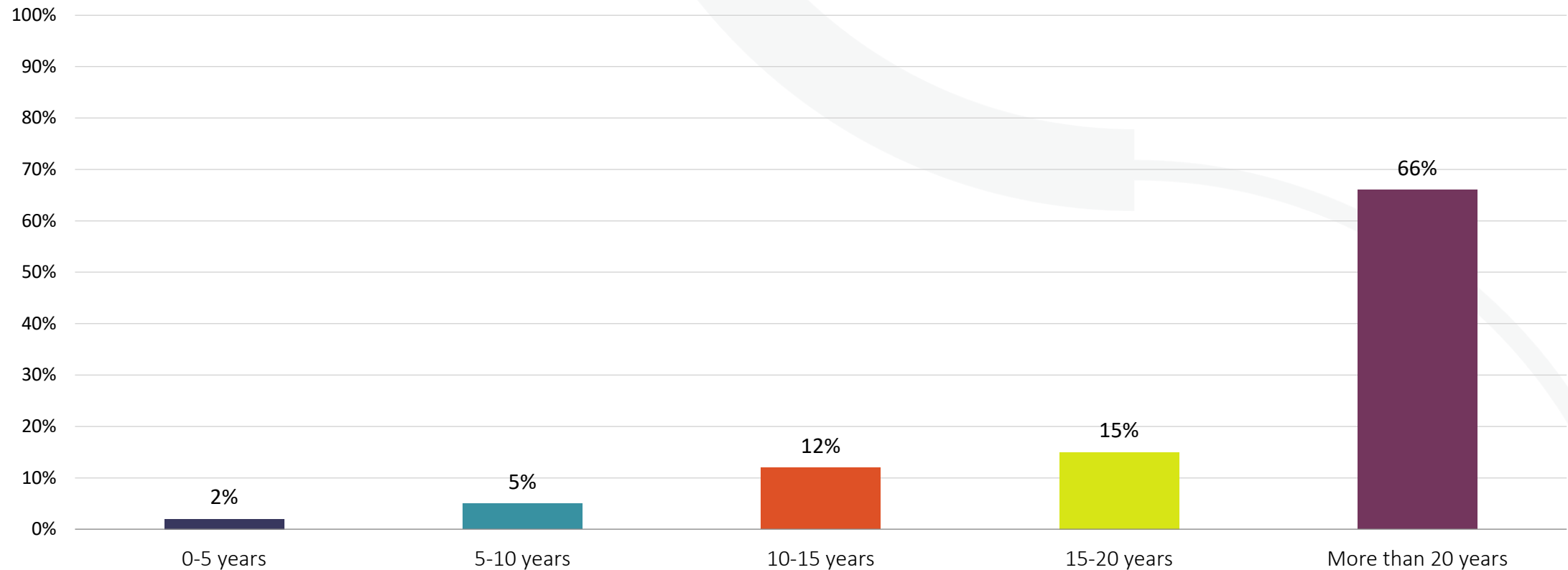
PERSONAL AND COMPANY INFORMATION

In which position do you work in your company?



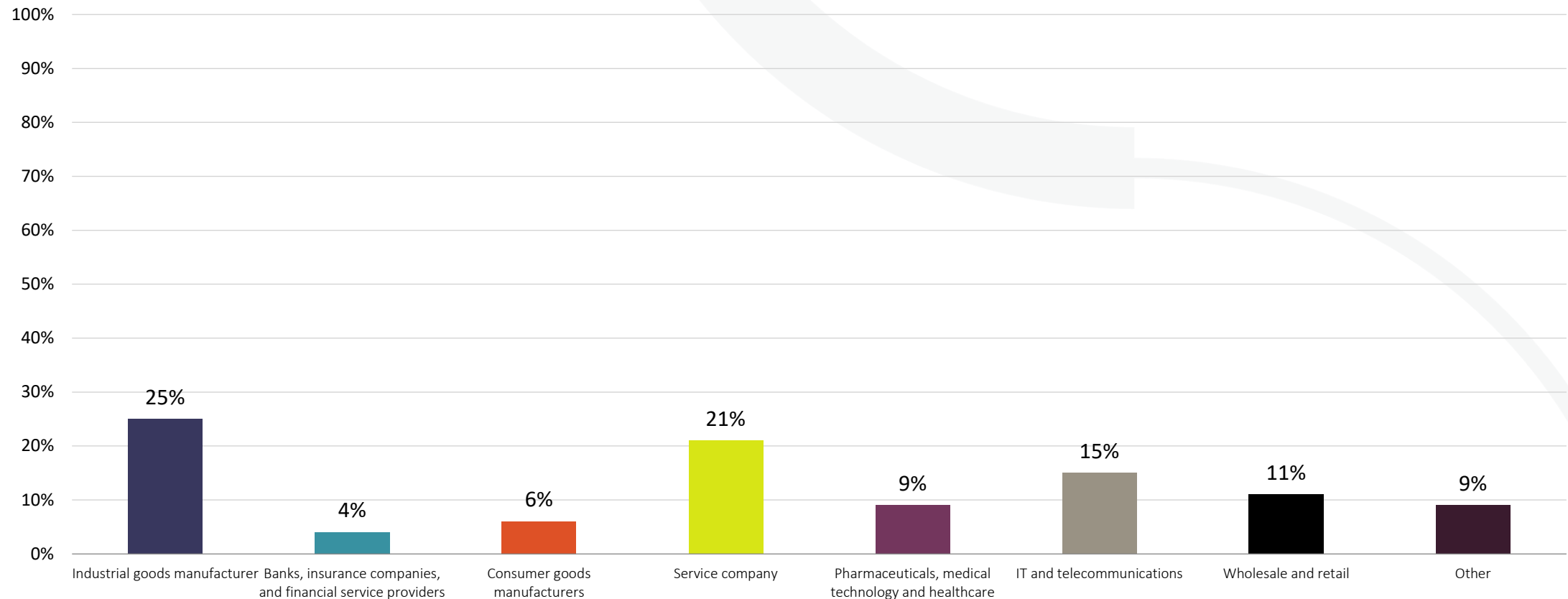
PERSONAL AND COMPANY INFORMATION

How many years of professional experience do you have?



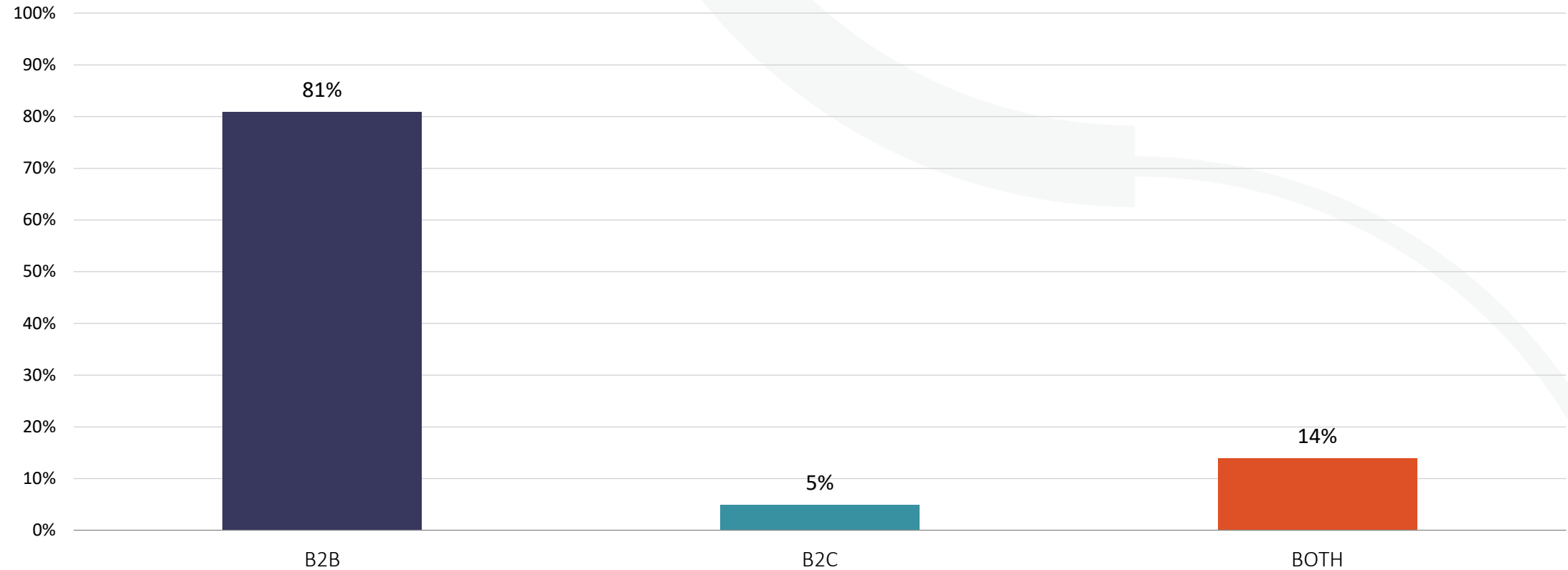
PERSONAL AND COMPANY INFORMATION

In which industry do you most likely classify your company?



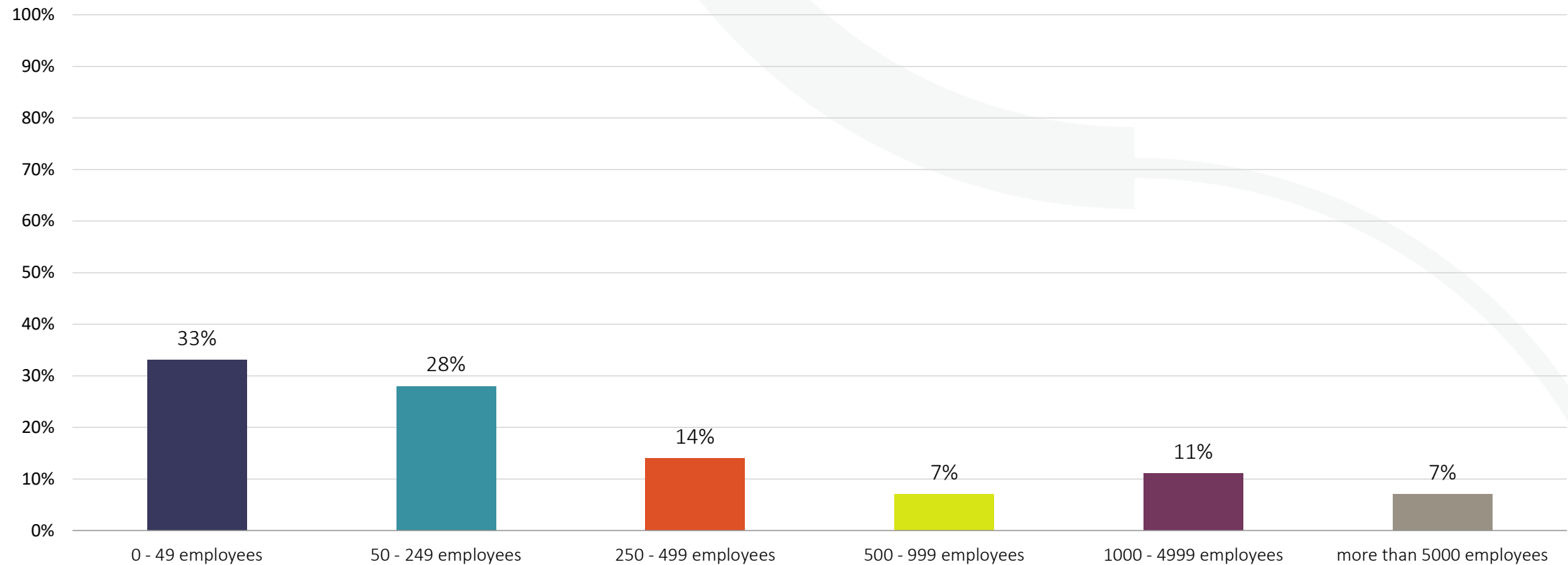
PERSONAL AND COMPANY INFORMATION

What is the business focus of your company?



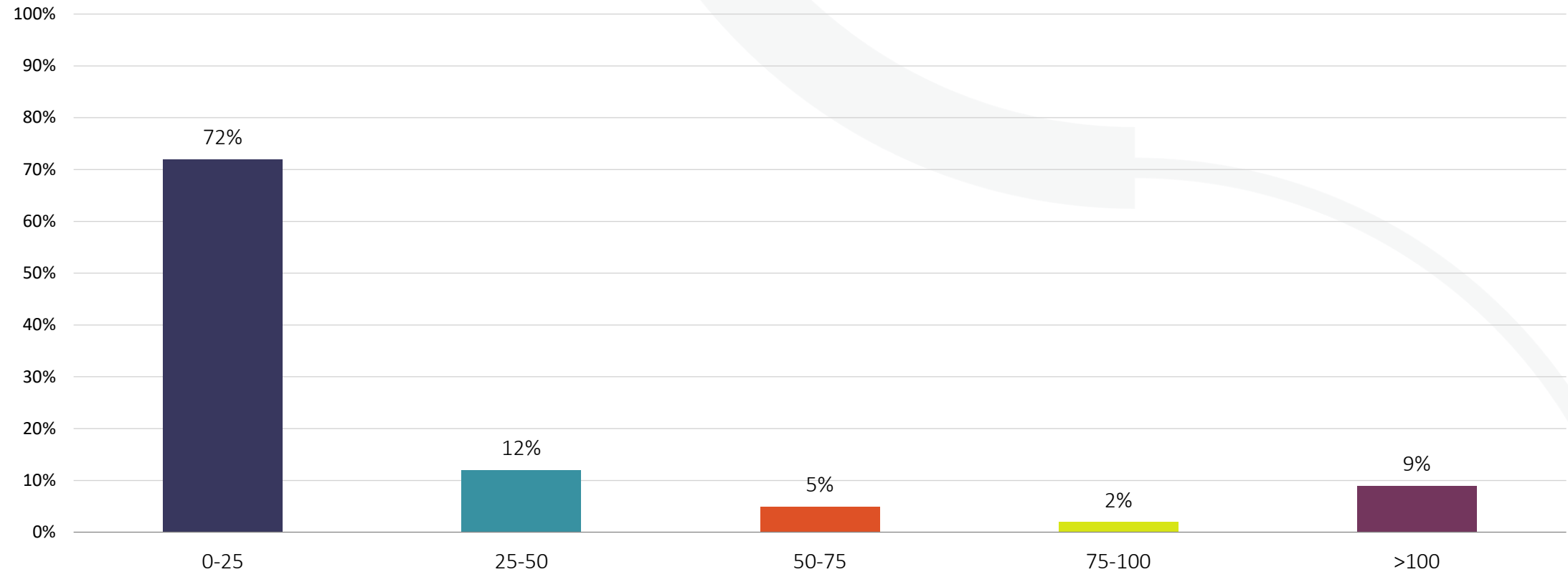
PERSONAL AND COMPANY INFORMATION

How many people are employed in your company (division)?



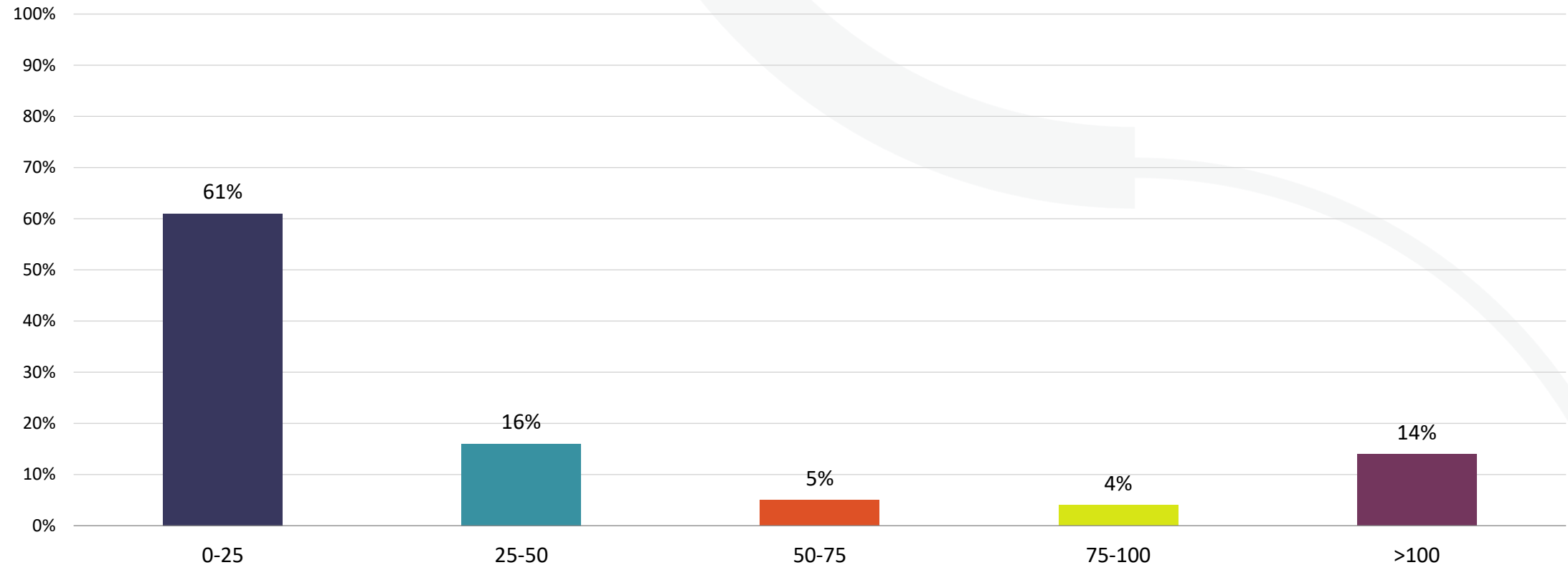
PERSONAL AND COMPANY INFORMATION

How many internal sales work (employees) in your company (division) in total?



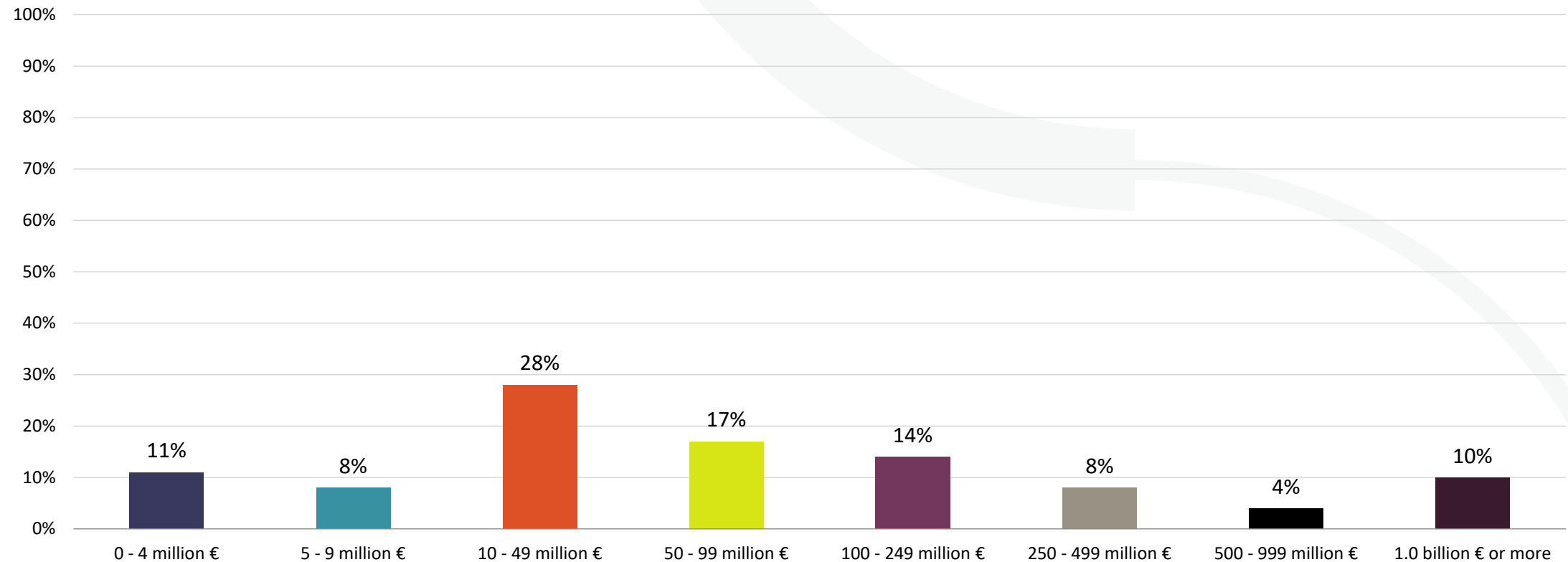
PERSONAL AND COMPANY INFORMATION

How many field sales force (employees) work in your company (division) in total



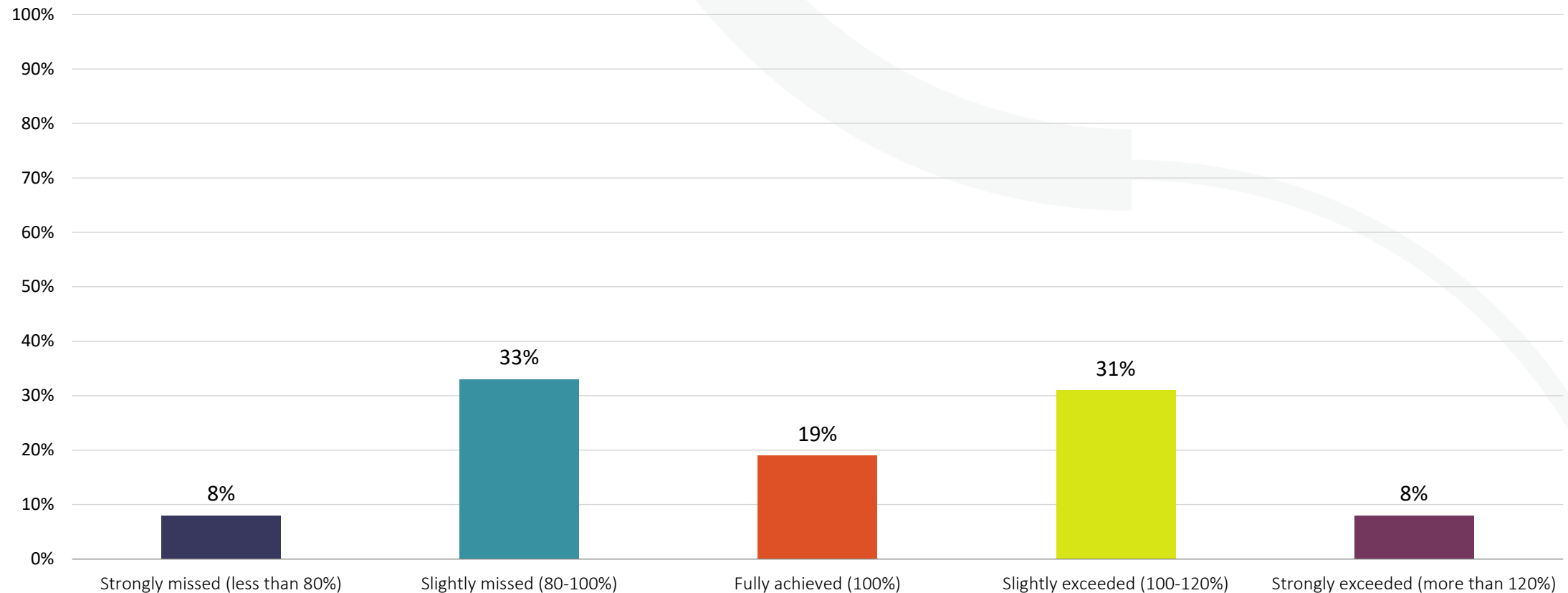
PERSONAL AND COMPANY INFORMATION

What is the annual turnover in your company (division)?



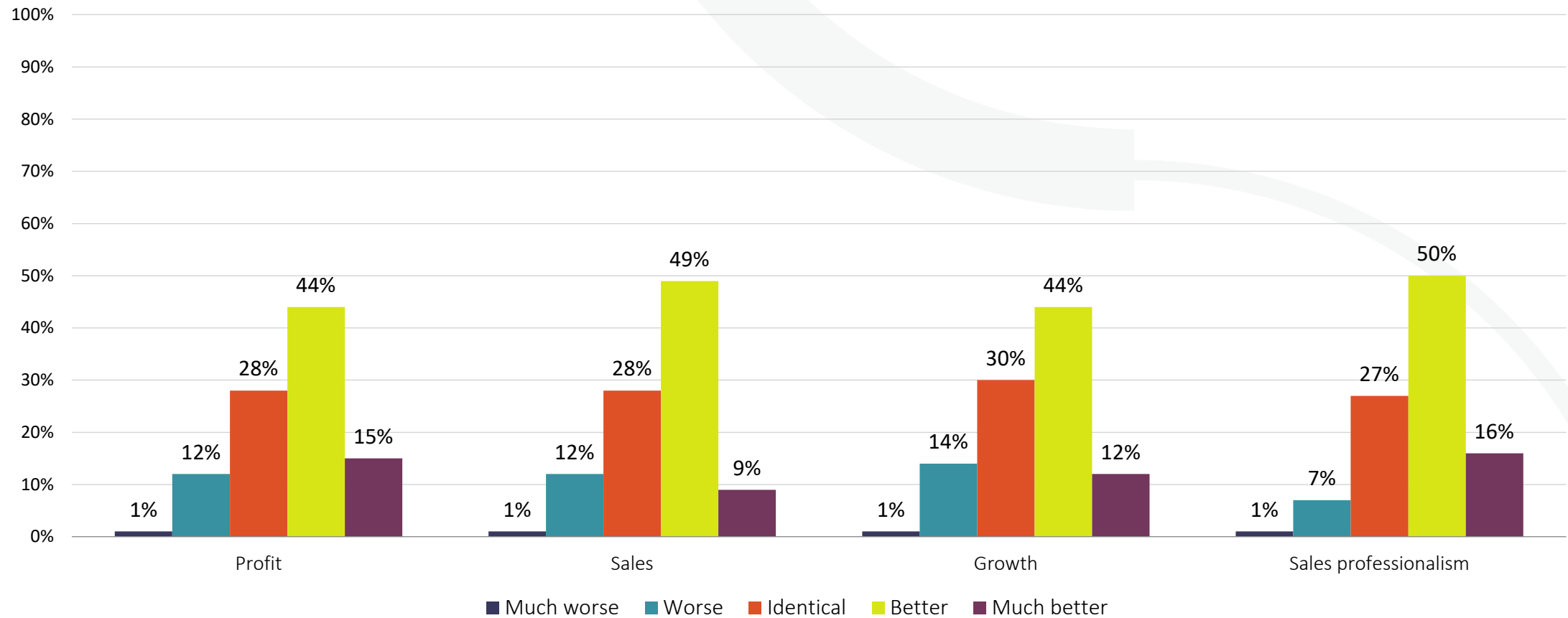
PERSONAL AND COMPANY INFORMATION

Have you achieved your sales goals in 2020?



PERSONAL AND COMPANY INFORMATION

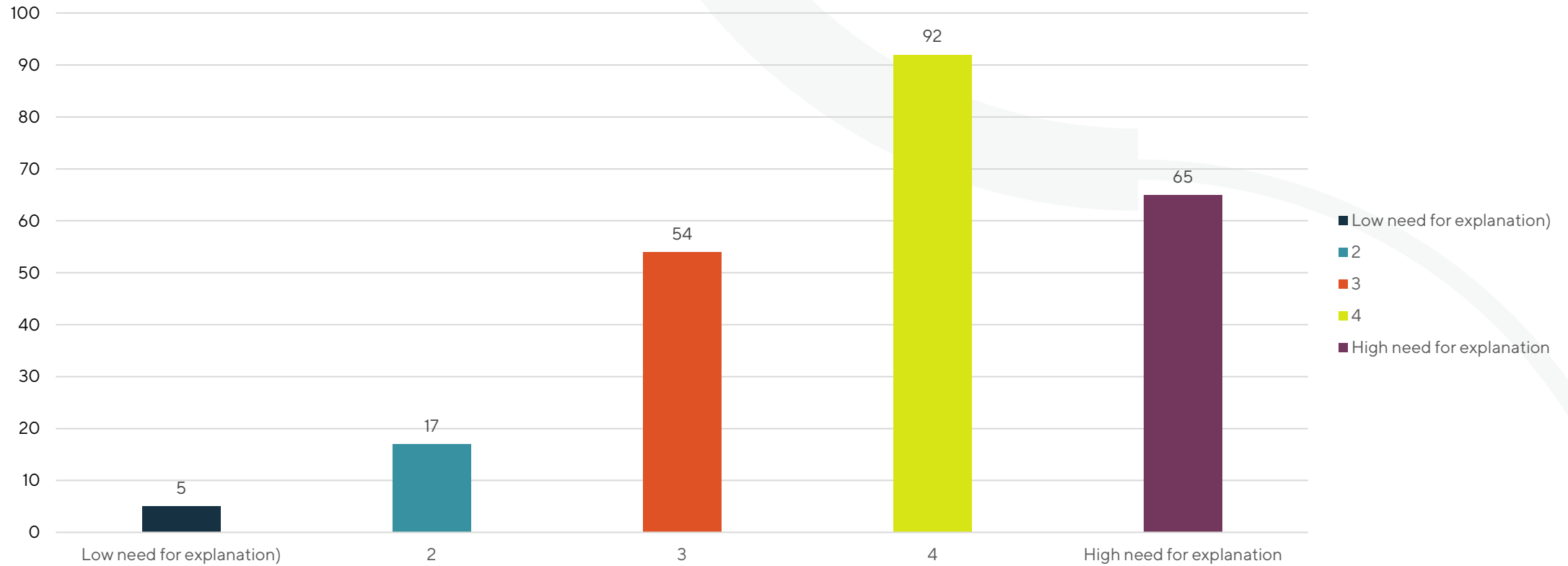
Today: how do you rate your company compared to its main competitor?



PERSONAL AND COMPANY INFORMATION

Avg: 3.84

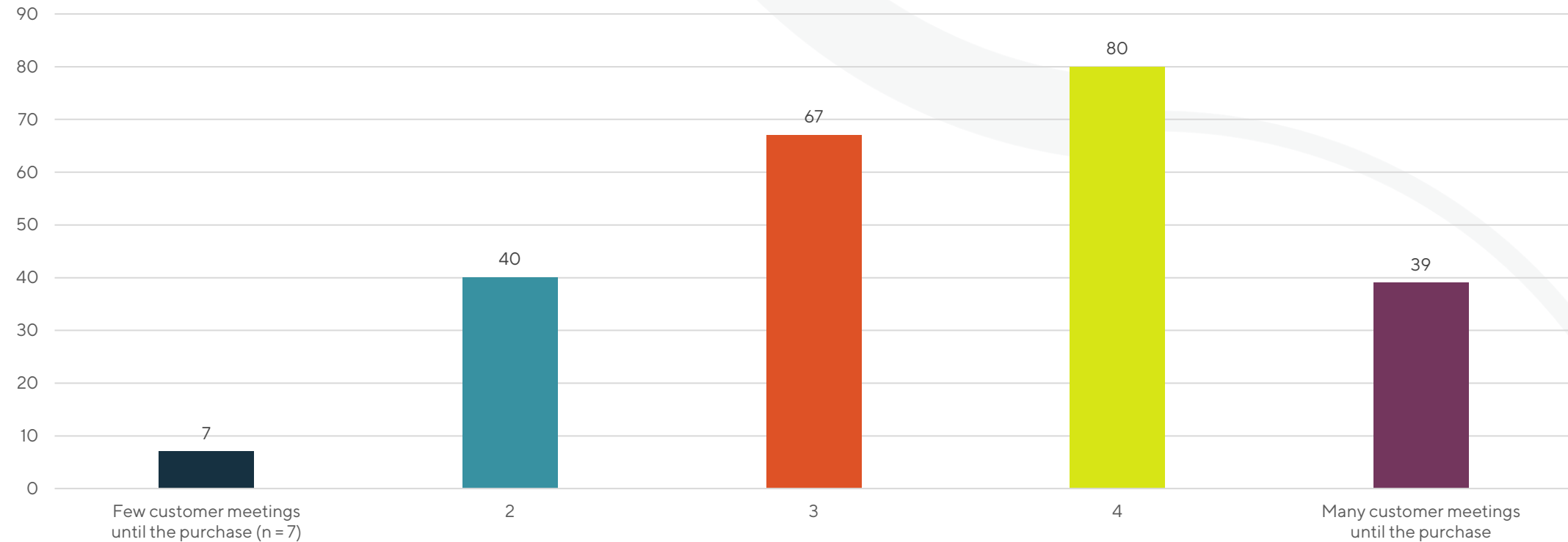
Characterization of products & business



PERSONAL AND COMPANY INFORMATION

Avg: 3.45

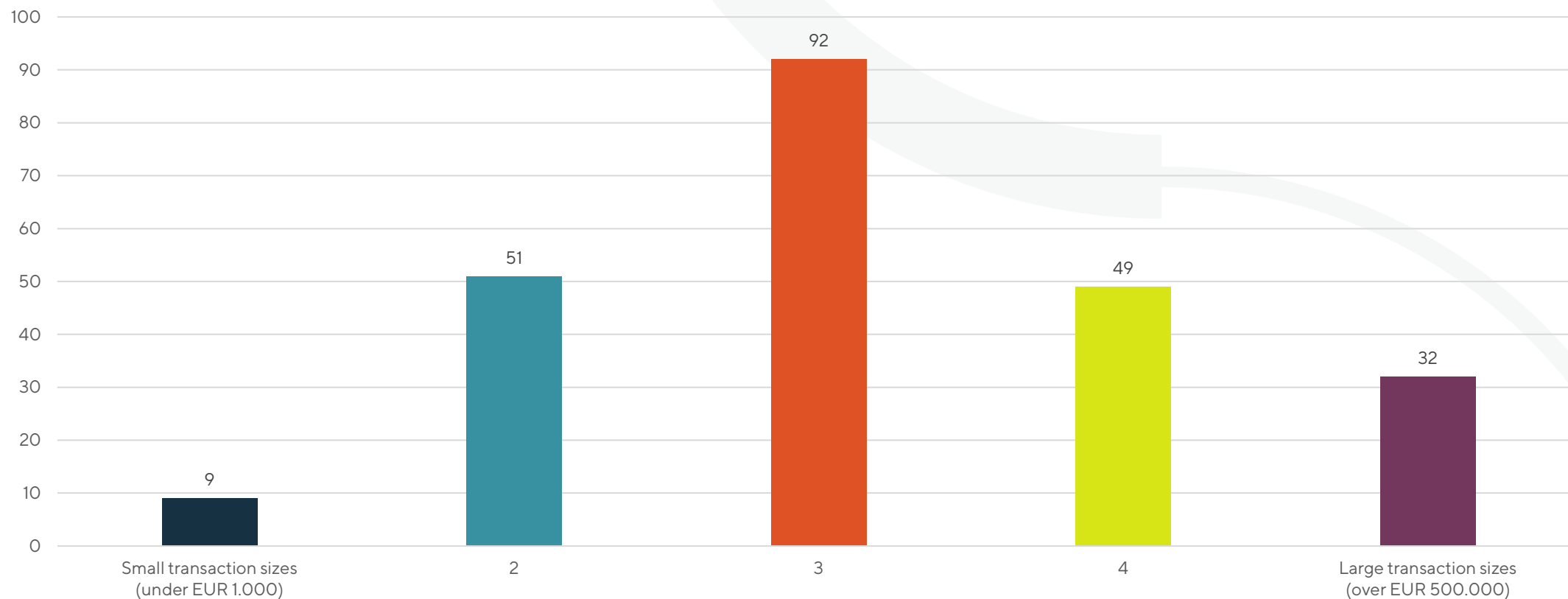
Characterization of products & business



PERSONAL AND COMPANY INFORMATION

Avg: 3.19

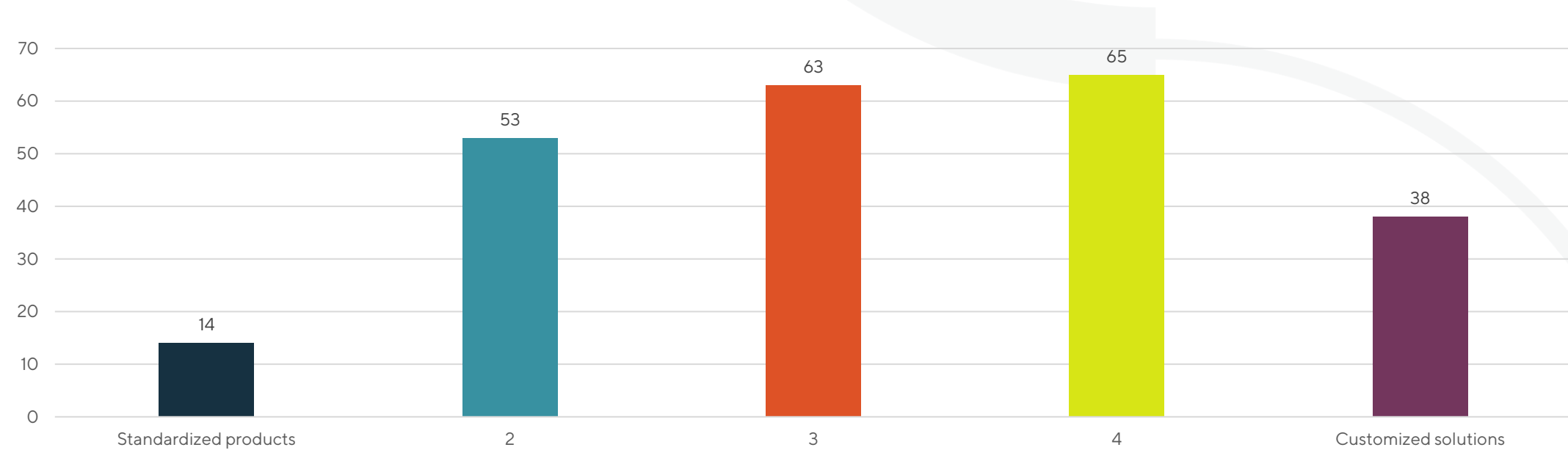
Characterization of products & business



PERSONAL AND COMPANY INFORMATION

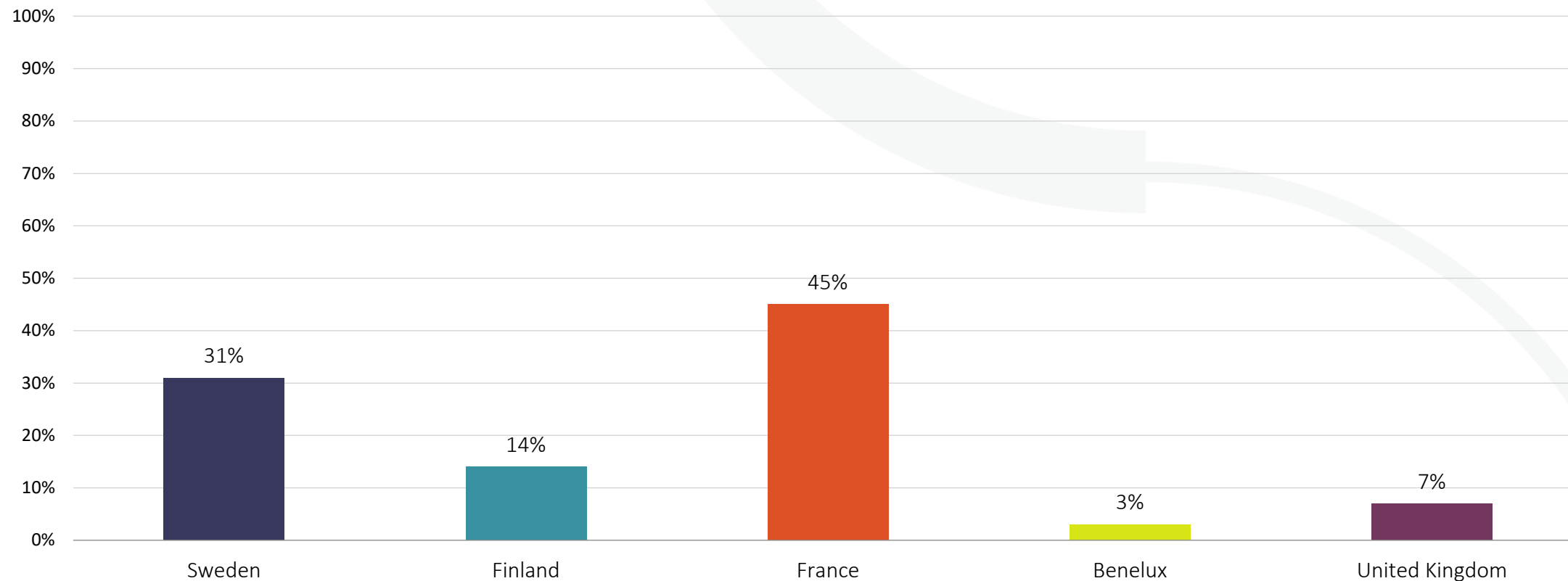
Avg: 3.26

Characterization of products & business



PERSONAL AND COMPANY INFORMATION

MI Units





Every year Mercuri International empowers companies in over 50 countries to achieve sales excellence. We serve our clients both locally and globally with customized solutions and industry expertise. We grow profit through people, providing the tools and processes to tackle any sales challenge.

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